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BSE Limited
1st Floor, New Trade Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai – 400 001
Scrip Code: 542830

National Stock Exchange of India Limited
“Exchange Plaza”, C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Scrip Symbol: IRCTC

Sub: Outcome of investors/analysts meet – Transcript of the Earning Conference Call on Q4 and Annual Results for FY22

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

Sir/Ma’am,

In furtherance to our communication dated May 30, 2022, regarding Earning Conference Call on Q4 and Annual Results for FY22, please find enclosed the transcript of the Post Result Earning Conference call held on Tuesday, May 31, 2022 to discuss the financial results and operations for the quarter and year ended on March 31, 2022.

You are requested to kindly take the same on record.

Thanking you.

Yours sincerely,

For Indian Railway Catering and Tourism Corporation Limited

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

Encl: as above
“IRCTC Limited
Q4 FY2022 Earnings Conference Call”

May 31, 2022

ANALYST: MR. RAHUL JAIN - DOLAT CAPITAL

MANAGEMENT: MRS. RAJNI HASIJA – MANAGING DIRECTOR – INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED
MR. AJIT KUMAR – DIRECTOR FINANCE & CFO - INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED
Moderator: Ladies and gentlemen, good afternoon and welcome to the IRCTC Q4 and annual FY2022 Earnings Conference Call hosted by Dolat Capital. 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 hand the conference over to Mr. Rahul Jain from Dolat Capital. Thank you and over to you, Sir!

Rahul Jain: Thank you Ryan. Good afternoon everyone. On behalf of Dolat Capital, we welcome you all to the Q4 and twelve months fiscal 2022 Conference Call of IRCTC Limited. I take this opportunity to welcome the management of IRCTC represented by Smt. Rajni Hasija, who is the CMD of the company and Mr. Ajit Kumar, who is Director Finance and CFO of the company. Now, I would like to hand the conference over to IRCTC management to take the proceedings forward. Over to you, please!

Rajni Hasija: Good afternoon everyone. I hope you and your dear ones are in good health and spirits. I welcome you all to this Con-Call to discuss the performance of your company that is IRCTC Limited, for the quarter and the year ended 31st March 2022. Yesterday, the company had announced the audited financial results for the fourth quarter and year ended on 31st March 2022 and the same has also been disclosed on both the stock exchanges. Please allow me to share with you a brief overview about Q4 of fiscal 2022 and results of our company. Following this our Director Finance who is CFO of the company too will provide the details and performance of our business segments post which we shall be having a question-and-answer session.

I begin with the brief view of the salient features of our results, which you must have seen by now already. In the last quarter of the previous financial year IRCTC has been able to once again demonstrate its resilient business model though the impact of the wave-3 of the COVID-19 was there, we were little lucky as the impact of the last wave was not that dangerous as the second wave was. Q4 of financial year 2022 revenue was at Rs.691 Crores and it saw strong growth of 28% quarter-on-quarter i.e., consecutive quarter and more than doubled on year-over-year given that the base quarter had the impact of pandemic. The most important factor is that the revenue for Q4 is just 3.5% lower than the pre-COVID level. It means we are very near to the pre-COVID levels maybe this year. In Q4 of the financial year 2022, the catering segment has been the main driver on the quarter-over-quarter revenue growth. As you would be aware that difference in the profitability our business segment the change is the business mix resulting in EBITDA margin coming to
nearly 40% versus 42.8% year-over-year and 51.7% quarter-over-quarter. However, the absolute EBITDA of Rs.277.3 Crores was rather very much in line with Rs.279 Crores in Q3 of the previous financial year. Net profit before exceptional item for Q4 of the previous financial year came at Rs.218 Crores versus Rs.209 Crores in the Q3 of financial year 2022 and Rs.107 Crores in the Q4 of financial year 2021. For the financial year 2022, revenue came to Rs.1880 Crores which grew nearly by 1.4 into year-over-year given that the financial year 2021 had much severe impact of the pandemic as compared to the current year, the year passed. EBITDA margin came to 46.8% versus 24.3% year-over-year and the net profit before the exceptional item came to Rs.667.7 Crores versus Rs.150.5 Crores year-over-year. Importantly, the financial year 2022 net profit crossed the 2019-2020 mark of Rs.528 Crores also which is very good news to all the investors. The board of directors have recommended final dividend too i.e., Rs.1.5 per share subject to shareholders approval which we would be taking in our AGM with that way to the total dividend per share is Rs.3.5 because Rs.2 we have declared as an interim dividend earlier. As I have shared earlier that if there is no emergence of another wave of infection that travel and hospitality industry can look forward for a much better financial year 2023 and beyond. IRCTCs business segment catering, packaging, water, importantly tourism can also look up to a better performance in such an industry environment as the things are now on a gradual improvement.

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

**Ajit Kumar:**

Good afternoon, everybody. I hope you all to be in a good health. I shall first give brief overview about Q4 FY2022 results post which we shall have the question-and-answer session. This Q4 FY2022 revenue for the quarter saw strong improvement both on quarter-over-quarter and year-over-year basis. The revenue of Rs.691 Crores grew by 27% quarter-over-quarter and by 104% year-over-year. Given that catering segment, which has relatively lower margin that has shown the sharp increase in its revenue share and the overall EBITDA margin 40.1% versus 42.8% year-over-year and 51% quarter-over-quarter. However, we have been able to maintain the absolute EBITDA almost at Q3 FY2022 levels.

Now, the business segments of the company. Number one is the internet ticketing segment that has demonstrated on impact of third wave of infection and revenue for the quarter was at Rs.292.8 Crores growing by 42.4% year-over-year and decline by 6.4% quarter-over-quarter due to lower ticketing volumes. However, absolute EBITDA margin saw a slight
growth i.e., quarter-over-quarter and EBIT margin came at 91.5% versus 84.8% quarter-over-quarter and 83.3% year-over-year. The catering segment has shown a sharp increase in revenue at Rs.266.2 Crores and grew by 1.5x quarter-over-quarter and just under 3x year-over-year. This enabled the segment to further improve its EBITDA margin to 9.4% versus 5.5% quarter-over-quarter and loss on year-over-year basis. The share of catering segment to overall revenue increased to 38.5% in fourth quarter versus 19.4% in third quarter and 19.9% in fourth quarter of FY2021. Given that it has relatively lower margin the overall margin has seen moderation in fourth quarter of FY2022. The Rail Neer saw in the Q4 revenue of Rs.51.9 Crores, 4% growth quarter-over-quarter, reported EBITDA loss came at Rs.24.3 Crores mainly due to the impact of that 15% the railways share on profit of the previous year that is amounting to Rs.27.13 Crores was remitted back to railways that is the main reason. But for further years good margins will be there. Tourism segment that has seen growth of 10.1% quarter-over-quarter to Rs.80.1 Crores importantly it continued to trim its losses and was almost been a breakeven to EBIT levels. The bank balances and networth of the company as on 31st March 2022 is Rs.1732 Crores and Rs.1884 Crores, respectively. That is the end of opening remarks. Now, we can straight away move to the question-and-answer session.

Moderator: Thank you. We will now begin the question-and-answer session. Our first question from the line of Mr. Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain: Congratulations on very strong numbers. My first question is related to significant revenue traction in the catering business. In our earning call we have not done assessment about the catering contract but with the end of the quarter we were able to see significant jump in revenues. So, if you could explain what led to this massive increase and how many contracts have normalized to potential revised rates on the pricing?

Rajni Hasija: I can be proud of my team if I say so, because when the cooked food started it started in the month of November, but we made effective gradually till December and January to March we saw sudden jump because of the fast-tendering process being followed by IRCTC where lot of powers were delegated to the juniors. If you ask me that how many tenders were finalized this number is going to be in thousands, because initially the tenders were given for a shorter period then for six months and now again we are going to start the process. So, the cooked food start was the main reason and increasing the foot fall at the station so that the static unit can also be revived was also the reason. I will give you the numbers, if you recall my earlier earning Con-Call where I used to give the numbers of the trains, where IRCTC was providing the catering services. That was 417 only but we were not actually doing the TSV trains. As of now IRCTC has taken up heavily on the TSV trains and more
than 70 trains brought under the ambit of contracting, out of which 596 tenders have already been placed and rest tender are in finalization stage. So, it is the hard team work of the catering department and the delivering department that has resulted in this mobile catering increase in jump. Similarly, that the catering picked up very well because the foot fall has gone up and our formula was like that once the foot fall picks up the licensee fee will also be restored to the previous levels. So, this could be the reason Mr. Jain.

Rahul Jain: Okay, that is quite helpful. Other than that, now when we see this catering revenue can we say that full quarter benefit has come into this number or March revenues are significantly higher?

Rajni Hasija: No, still it is left because the process was gradual. We started picking up only in the month of January but even then the whole trains were not there. Like 150 trains under the TSV section would be completing their awarding this month, so it is only in the month of July and it is a continuous cycle, few trains end up their contracts early, it is a cycle, it is a continuous process. But the complete process maybe we are hopeful that we will be able to complete by June end, if not June end at least July first week we will be able to finish the entire process.

Rahul Jain: Okay, understood and moving to the next segment, which is on this 2S side, as on the website we can see that for 2S we are not able to book the tickets beyond 30th of June, so is that the last period beyond which we will not be booking tickets on the 2S category?

Rajni Hasija: This is as per the guidelines issued by Ministry of Railways and different for each train actually. So, I will not be able to commit very specific about it but I can tell you that in the Q3 our daily average ticket was nearly 13.69 lakh and now it around 12.87, so the impact is not much as we have seen and when in 2019-2020 in pre-COVID level it was only 8.25 lakh ticket per day. So, still there is more than 50% jump if you see the pre-COVID levels, maybe at the end of June it may drop by few more thousands. Because over a period of time IRCTC has been able to gain the confidence of the people and where there is unreserved ticketing is there, we cannot help it.

Rahul Jain: Right, so 12.87 lakh is daily for this quarter that is what you shared?

Rajni Hasija: Yes, Q4 the average has been 12.87 lakh only.

Rahul Jain: Okay, and on the Rail Neer business we saw this significant charge which was for the railway profit share that we gave up around Rs.270 million. Can you share more input in terms of what is they charges and what could be the recurring nature of this?
Rajni Hasija: IRCTC was supposed to share the profit on all the departmental catering segment and initially all the plants till 2009 were running in the departmental thing and we were in any case because you get a captive audience in the railway station and we do not sell Rail Neer in the other sectors. The clientele is being brought to IRCTC by Ministry of Railways from sharing what to be done which was part of the MoU signed in the year 2007 between IRCTC and Ministry of Railways. Our CFO in his beginning statement has also mentioned and given the figures of the amount. If we calculate from 2007 to 2021 the revenues that IRCTC has received from this packaged drinking water business is nearly Rs.1200 Crores or so and profit margins were nearly Rs.180 Crores or so. So, IRCTC technically speaking deducting all the payments towards the Indian Railways and compensating the losses in the departmental catering came out with the figure of Rs.24.46 Crores out of which Rs.2 Crores was to be adjusted and it is subject to the reconciliation with the railways for which Ministry of Railways has set invoice so we have to pay that and for the rest of this year it is going to be a regular feature and we would be sharing nearly 15% of the profit of the Rail Neer segment with the Indian Railways as per the MoU signed between us.

Rahul Jain: Can we say that this 15% is the net you charge which has come to us which was not applicable till last year?

Rajni Hasija: It was to be made applicable, but could not be made applicable because of the reconciliation process which got over. So, it is happening on both the sides, now it got over, reconciliation process could be completed that is why these due on IRCTC which were paid. But Rail Neer segment continues to be a profitable business and the profit from the Rail Neer will be there it is only 15% of the profit may go there which would be compensated with the upcoming new more plants.

Rahul Jain: Right, now henceforth whatever will be the, let us say FY2023 if we make Rs.100 Crores of profit 15% before paying tax will be paid to government towards their share?

Rajni Hasija: Would say their share. Clientele is there, station there, we got a captive clientele otherwise IRCTC could have spent.

Rahul Jain: I can understand the rationale I am just trying to understand the mathematics, so 15% of PBT is what we will share with them?

Rajni Hasija: Yes.

Rahul Jain: Okay, not 15% revenues in other line it is 15% of PBT or PAT whatever?
Rajni Hasija: Yes.

Rahul Jain: Okay, and just last one question from my side. Any input we can share on the other income side, why we saw significant jump in that?

Rajni Hasija: As usual internet ticketing has been the major contributor and 70% of your earning has come from there, you are earning on all the front convenience fee and the non-convenience fee both has gone up. So, like convenience has contributed to nearly Rs.694 Crores and non-convenience resources has contributed to nearly Rs.326 Crores leaving apart and advertisement revenue has also gone up, has nearly matched the pre-COVID level although it has not crossed but our iPay the payment gateway has crossed the previous year level, the per-COVID level too and put together we could earn more than Rs.1000 Crores from the internet ticketing segment alone. This could be a main contributor, the activity in the 2S front has also gone up, in fact it took off only in the month of February the impact of COVID was still there in the month of January. Gradually our trains are also picking up and our all kind of tourism is now back on track as I told earlier also. So, put together with the main contributor as internet ticketing, all sectors are contributing, Rail Neer is also contributing to the revenue, so the sale of Rail Neer has also gone up. Our SBI credit card has also contributed Rs.33 Crores.

Rahul Jain: Right, Madam. My question was more from other income non-operating income which jumped from Rs.16 Crores to Rs.25 Crores in this quarter, is there anything very specific or this is the new run rate?

Rajni Hasija: Since we could finalize many tenders and could do the reconciliation process, could complete the reconciliation process of many vendors also, so this could be fore feature of the security fee or EMD forfeiture recovery it is that income only and more tender the income is more.

Rahul Jain: Got it. Thank you so much and I will fall back in the queue.

Moderator: Thank you. Our next question comes from the line of Jinesh Joshi with Prabhudas Lilladher Private Limited. Please go ahead.

Jinesh Joshi: Thanks for the opportunity. I have a question on the catering side. As per the news report which was published some time back it was stated that Indian Railway had decided to take over the responsibility of retail of food plazas and fast-food units come up in certain this zone citing delays from our end. So, what is the latest development on this side if you can please explain?
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Rajni Hasija: We were very fortunate to handle the situation because most of our tenders were in process, not even for the single unit the tendering process for all the unit was in process and at the advance stage of tendering. So, as of now not even a single food plaza has been handed over back to railways rather what was with the IRSDC, Indian Railway Station Development Corporation, that food plaza has been handed over back to IRCTC, so it has not impacted us much and as far as the tendering is concerned it is a continuous process the contractors complete their contract period, again it is given on the contract. During COVID many of our service partners have taken exit because there was no foot fall at the station, so there was no revenue potential for them they took honorary exit till security was also forfeited etc., as per the rule. But fortunately our advance tendering stage and the intention behind that letter could be that if we wanted to ensure the passenger services which we could restore in a very short time and we were already in process of doing.

Jinesh Joshi: Sure and madam secondly, if I look at our internet ticketing segment it reported an EBIT margin of about 91.5% in Q4 which is higher than what we have been reporting in the recent past. So, is there any element of one off here and secondly I would also like to know what is the progress on our IT modernization capex plans. What is the total sum which we have earmarked and how much would we intend to spend in FY2023?

Rajni Hasija: The revenue from the internet segment has been very good, that has been more because IT sector at least you add one more class as it was contributing nearly 36% of the total ticketing and secondly the overall ticketing there is the gradual shift of the people from the offline ticketing to online ticketing, so our average has also gone up in spite of the fact that the phase work again made unreserved we did not see the prospective jump. If you compare my pre-COVID level figures of the internet ticketing the average ticket booking per day was nearly 8.25 lakh per day. Now, in this quarter, in the last quarter we could have 12.87 lakh tickets in a day. So, 50% increase alone is not because of that it is also because of the efforts taken by IRCTC team in gaining the confidence and there is a transition of our offline mode from offline mode to online mode. Secondly, it is not only the convenience fee it is the other earnings of the internet ticketing, like the agent charges, the mobile app integration charges, the PMP charges all have gone up we have introduced more and more partners and given the flexible policy. Similarly, the payment gateway charges share has also gone up because the number of transactions had gone up so it has also gone up. Then our marketing and advertisement income has nearly matched the pre-COVID levels although the industry could come up only in the last quarter. In spite of the fact we could match the figure had this been nine months with us we could have done really done wonders and our payment gateway and SBI card has also we have done much better than
the pre-COVID level also. So, all these sectors have contributed together to giving a good figure for internet ticketing.

Jinesh Joshi: My question was on the margin side but nonetheless I will take that later. If you can just answer that part with respect to capex plan, how much do we intent to spend?

Rajni Hasija: Sorry, I missed that, the capex we had earlier planned Rs.100 Crores and we have still many of the items have been tendered, the tenders are on and we are also working parallelly on the DR side for which the testing with the various partners have already been initiated. So, our capex will be around nearly Rs.80 to Rs.90 Crores this year.

Jinesh Joshi: Sure, one last question from my side. Sometime back Indian Railways had decided to cancel a few passenger trains to allow for rapid moving of the coal inventory to arrest the power shortages prevailing across the country. Basically, my question what proportion of our capacity was impacted due to this move and currently are we back to full capacity?

Rajni Hasija: No impact, because generally the cancellation is nearly 19% it remains the same. Similarly, the refund is nearly 18% so it just remains the same, we have not noticed any impact of this movement.

Jinesh Joshi: Sure madam. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Madhu Dey with Mc Pro. Please go ahead.

Madhu Dey: Hi! Good afternoon Madam. I have few house-keeping questions. One is pertaining to 2S, in the fourth quarter out of the average the total internet ticketing revenue of Rs.268 Crores what was contributed by 2S if you could specify?

Rajni Hasija: 36%.

Madhu Dey: Even in fourth quarter?

Rajni Hasija: Yes.

Madhu Dey: Okay, both in terms of volume and value or there must be a difference?

Rajni Hasija: In terms of volume only. Value wise 2S is very cheap.
Madhu Dey: Exactly, so value wise what would it be in terms of value?

Rajni Hasija: I am not having the value wise figure readily available with me and I cannot give these figures on the basis of approximation actually. So, I do not have the value wise figure, I can only give you the number of tickets as of now.

Madhu Dey: Okay, and in this Rs.268 Crores what was the convenience, non-convenience fee break up for fourth quarter?

Rajni Hasija: The total revenue from the non-convenience resources was not Rs.267 Crores it is actually Rs.337 Crores.

Madhu Dey: That is for the full year madam?

Ajit Kumar: Yes.

Rajni Hasija: I think you are asking about the quarter?

Madhu Dey: Sorry, quarter?

Rajni Hasija: Q4 is around Rs.98 Crores out of which my contributions from the agent business was Rs.17 Crores, from loyalty program and lead generation and few other things was around Rs.75 Crores, advertisement was nearly Rs.11 Crores, my payment gateway contributed nearly Rs.12 Crores and put together Rs.98.7 Crores in Q4.

Madhu Dey: Okay, madam and my other question is on the catering side as you mentioned that you are going to reach pre-COVID by June end, is there any other contract with railways on the catering side also where you could have some revenue sharing or anything of that on a future date?

Rajni Hasija: In addition to catering we have been given an additional work of a retiring room upgradation. Earlier that was confined to few stations now it has been given on a pan India kind of a thing. So we have started working on that, this is going to be an additional revenue growth this year. The more tender we award the more licensee is going to be there for the retiring room upgradation. Similarly, for more executive lounges the way we launch we will be adding more and more licensee also. In the catering while mobile catering we will be able to match up. During pandemic unfortunately many of our contractor have exited from static catering business because the foot fall at the stations had gone down. So, we are trying to revive and bring back all the contract in position and award all the contracts in fact
many of them have been awarded also they are in process of commissioning. So, you can foresee a jump or some good increase as far as the catering revenue in this static catering from retiring room which is added in the catering revenue only and from the executive lounges also.

Madhu Dey: Madam, my question was is there any revenue sharing with the Ministry on the catering also?

Rajni Hasija: We already share as far as the mobile catering is concerned and no new sharing has come up, the old trend is there. In mobile we continue to share 40% as we were doing in the pre-COVID level or now. Even in the departmental, in the Rail Neer business we would be sharing only 15% and even in the retiring room also some sharing is there. So, the sharing will be there as per the MoU signed between Ministry of Railways and IRCTC.

Madhu Dey: Yes, that is what I was trying to find out from you madam, that in the mobile you share 40%, in the static how much do you share with railways?

Rajni Hasija: 40%.

Madhu Dey: And in this new business ventures like retiring room?

Rajni Hasija: Again 40%.

Madhu Dey: All 40%?

Rajni Hasija: But in e-catering 40% and in the retiring room also again 40%. In Rail Neer it is 15% of the profit.

Madhu Dey: All PBT so, 40% of catering PBT to be shared with railway and 15% of Rail Neer PBT to be shared with Railway, right?

Rajni Hasija: Put together correct.

Madhu Dey: Yes, and madam one last question if I may. What was the contribution the Tejas in the quarter and is it under tourism segment that put it?

Rajni Hasija: Yes, we put it under the tourism segment though we are requested not to put it in the tourism segment. Tejas has contributed to the entire financial year Rs.54 Crores and in the last quarter Rs.21.35 Crores.
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Madhu Dey:  What is the kind of EBITDA or has it broken even any color on that?

Rajni Hasija:  The train initially in the month January has not done well because of the COVID apprehension it is only in the month of February – March we could do. So, where in the last quarter as of now the train has shown an operating loss of nearly Rs.4 Crores which we would be recovering this financial year because now that booking have gone up.

Madhu Dey:  Okay, thank you madam and all the best.

Moderator:  Thank you. Our next question comes from the line of Ayan Bera an individual Investor. Please go ahead.

Ayan Bera:  Congratulation madam on the excellent set of numbers. I have a question regarding the average realization per ticket for this quarter and my second question is EBITDA level for the internet ticketing segment for this quarter?

Rajni Hasija:  It is nearly Rs.38000 Crores which we realized for Ministry of Railways and the total number of ticket that we issued was around 41 Crores.

Ayan Bera:  41 Crores for this year, right?

Rajni Hasija:  41.74 Crore tickets were issued by IRCTC this year and we realized for government of India, Ministry of Railways around Rs.38000 Crores and number of passengers that we booked was 73.43 Crores. So, it is nearly Rs.16.6 per ticket.

Ayan Bera:  Okay, madam it is Rs.16.6 per ticket is the average realization?

Rajni Hasija:  Per ticket realization.

Ayan Bera:  Okay, and madam the EBITDA levels in this particular internet ticketing segment is relatively high as you said. Can you give us a figure around it was…

Rajni Hasija:  Nearly 90%.

Ayan Bera:  Okay, and madame another question is that, in 2S segment you said that it contributed 36% of the revenue. I also would like to hear from you that the respective contribution from the sleeper class i.e., non-AC class and 3AC, 2AC classes?

Rajni Hasija:  I think 37% in the last quarter.
Ayan Bera: 37% sleeper class?

Rajni Hasija: Yes.

Ayan Bera: Okay, and for the AC is that rest?

Rajni Hasija: I can give you the figure like this. We have first AC class and first class and there another EA put together nearly not even 1%, 2nd AC is 4.2%, 3rd AC is 17.7%, chair car is 4.1% and there is another class 3E, and there is one more class in Anubhuti put together 0.3%.

Moderator: Thank you. Our next question comes from the line of D. N. Shah with SSPI Global Tradewings. Please go ahead.

D N Shah: Thank you for giving me the opportunity. Madam, what is the capacity utilization of Tejas?

Rajni Hasija: Capacity now is nearly, we call it occupancy level i.e., another term, now we are running more than 70%.

D N Shah: And what level it will break even?

Rajni Hasija: Break even happens at more than 75%.

D N Shah: Okay, we are very near can we accept that it should happen in this June quarter?

Rajni Hasija: Hopefully, we are able to achieve this quarter.

D N Shah: Okay, one more question on the catering side. When this catering started from November onwards, which your license given at the old rates and I believe that the license revision as per the new rate was to happen sometime in this quarter something. So, have we already done that and any reflection of that in March quota?

Rajni Hasija: Since this train has started we are nearly completing the pace, so maybe you may see the effect of that in June end.

D N Shah: So, we will get it from November onwards everything in June quarter?

Rajni Hasija: Yes, sir.

D N Shah: That is very nice. Thank you. All my questions are answered.
Moderator: Thank you. The next question comes from the line of Omprakash Kaveri with Spark Capital. Please go ahead.

Omprakash Kaveri: Hi! Madam, good afternoon. One question on trade payables, when I look at the balance sheet FY2021 ending trade payables has been restated. So, as per the previous financials it was Rs.180 Crores now in this Q4 results that Rs.180 Crores is restated to some Rs.580 Crores odd. So, what is related to the pre-statement in trade payables?

Ajit Kumar: It is only trade payable which we have classified correctly in Q4 accounts.

Omprakash Kaveri: Going forward the current classification would hold, right?

Ajit Kumar: This current classification is now correct.

Rajni Hasija: This was on the advice of our statutory auditor.

Omprakash Kaveri: Sure, thank you. Thanks a lot.

Moderator: Thank you. Our next question comes from the line of Ajit an individual Investor. Please go ahead.

Ajit: What is the average ticket booking in the Q4?

Rajni Hasija: In the previous quarter I just mentioned 12.87 lakh tickets in a day.

Ajit: Now, currently what is the average ticketing?

Rajni Hasija: Now, it is nearly somewhere about 12 lakhs but some days it will be 11 lakh and some day it will be 13 lakhs also.

Ajit: Okay, what is the average in April?

Rajni Hasija: For the month of April, sorry I am not getting April figure before I go I will give you the April figure also or you can get it from the internet ticketing.

Ajit: Okay, one more question madam?
**Rajni Hasija:** It will be really 13 lakhs because it is the peak season. We have already been telling continuously that April – May are peak seasons for us. It has been rather more than the average booking also anywhere near 13 lakhs.

**Ajit:** Okay, thank you. One more question madam. In third quarter we have profit Rail Neer but in this quarter we mention loss, what is the reason for this?

**Rajni Hasija:** The reason is that, the plants of Rail Neer we started in the year 2002 onwards and we as IRCTS and Ministry of Railways in the year 2007 had signed an MoU that for various businesses the railway is also contributing to the business some profit sharing has to be ensured to the railways. As per that MoU the profit sharing for the Rail Neer was to be ensured but for which some reconciliation was to happen which earlier did not happen, now has happened. So, that reconciliation for the last 15 year has been done and 15 years money has been transferred it is 15% of the PBT that we have given subject to again to the reconciliation of the railways though we have completed a major chunk of that and henceforth 15% of the net profit of the profit PBT in the Rail Neer segment will be shared with the railways also.

**Ajit:** Okay, madam. Thank you.

**Moderator:** Thank you. Our next question comes from line of Ayan Bera an individual Investor. Please go ahead.

**Ayan Bera:** Yes madam, you have said that for this financial year 2021 – 2022 the non-convenience fee has gone up to Rs.337 Crores. So, there has some component of this non-convenience there is a loyalty program, so can you elaborate on the loyalty program?

**Rajni Hasija:** Loyalty program we have with the SBI card and now we have for the Bank of Baroda card also. This SBI card is working with us since year 2007 or 2008, so there when we sell some card the value of the card initial for first year Rs.500 there we get around Rs.403 is with then IRCTC for selling the card and the forthcoming year some share from the bank charges from the customer is shared with the IRCTC so, whatever happens through IRCTC platform we share. So, in that segment we already shared, we have already earned in this financial year nearly Rs.37 Crores.

**Ayan Bera:** Okay, and the advertisement revenue for the financial year madam, any figure?

**Rajni Hasija:** Rs.33 Crores and we have nearly met the pre-COVID level, in pre-COVID level this revenue was Rs.34 Crores now we have got Rs.33 Crores. But put together non-
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convenience resources earning in the pre-COVID that was in 2019-2020 it was Rs.231 Crores now it is Rs.337 Crores. So, you can see that we have crossed the levels of the pre-COVID also in the non-convenience fee.

Ayan Bera: Madam, can you give break up of this Rs.337 Crores, I want to know just a major from advertisement is Rs.33 Crores?

Rajni Hasija: I will give only major heads, first is the agent business and in the agent business when agent tie up with us we take some fee. In that case we have earned around Rs.173 Crores. Now, in the payment gateway business also where we do lot of integration, individual integration there we have earned nearly Rs.56 Crores and from our marketing expense it is Rs.33 Crores and loyalty program Rs.37 Crores I told you just now. Our payment gateway Rs.36 Crores and some more small miscellaneous are total put together Rs.337 Crores.

Ayan Bera: Now, iPay has been contributing off late?

Rajni Hasija: Yes, sir. In 2019-2020 iPay contributed to around Rs.23 Crores this year it has contributed Rs.36 Crores.

Ayan Bera: Going by the trend in this non-convenience I think the guidance for the next two-three years is quite lucrative maybe a 15-20% growth in the non-convenience segment as well.

Rajni Hasina: Why we should not try more, I would say like this because intension is to retain internet ticketing business and simultaneously increase the non-convenience resources. Because a stage will come we have already achieved nearly 82% of the booking. 10 to 12% booking is going to be offline always, the increment in booking is going to be maybe 1% or 2% every year. So, our dependency on the convenience has to be shifted that business will be reserve but have to explore the other resources also that is what we are doing and we have been able to do also and there is good jump we have noticed this year, nearly Rs.100 Crores is there.

Ayan Bera: Okay, madam. Thank you very much.

Moderator: Thank you. Our next question comes from the line of Jins Varghese with EarthWise India. Please go ahead.

Jins Varghese: Hi! What I wanted to know is that the current ticket issued per day is about 12.87 lakh do you see these numbers going substantially any time soon?
Rajni Hasija: In the month of April because of the season temporarily it has gone up more than 13 lakhs in May also I am pretty sure today I have not taken the figure, it is going to be nearly the same. But since the 2S is not going to be there in the reserve segment some decrease maybe noticed. But after 30th June the things are going to settle. So, we will come to know as far as my experience in this work of ticketing goes in any case it will be much more than the pre-COVID levels, it was only 8.25 Crores because there has been a transition of a customer from the offline mode to online mode. The increase will not be as drastic as we have seen during the COVID period. Because we have already achieved our very high levels and reached up to the level of 82% of the ticketing is happening through internet only.

Jins Varghese: And the total availability is about 16 lakhs per day, is it around 16 Lakhs?

Rajni Hasija: Online and offline percentage is around 82% and 18%. 82% is online and 18% offline as of now.

Jins Varghese: Okay, and in terms of the segment margin, if you could give me idea of what happened because the number seems to be at high 92%, can we expect this to be some kind of normalized number or is it one off event?

Rajni Hasija: This could be because of the excess booking that you have achieved. If you have achieved so your payment gateway charges automatically goes up because more transactions have happened, if more transaction have happened so your lead generation also goes up, you have more people online so that your loyalty program goes up with is all related it is work in a cascading manner. Once you go to booking the things start rolling after that and we start catching everything. So, in the advertisement revenue also goes up because you are more and your own payment gateways used by many. So, it is all co-related with the booking and with each other, it revolves around the center.

Jins Varghese: Okay, and if you do not mind may I ask another question, in terms of tourism and travel do you see this number since the public have opened up. Do you see this number increasing any substantially since we have holiday still?

Rajni Hasija: People have started holidaying, inbound is not taking off that well, it is not the out bound also, it is a domestic which is picking very, very well all our packages towards char dham earlier we were doing only by air now we are going to start with the bus service also. So, that there is so much demand in the domestic segment that we also have to change our strategy to meet the requirements and the trains etc., is already running but people want to have now some break maybe the COVID fear is gradually has gone or going away, so
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people are coming out in lot, our Maharaja is going to be on track soon and Golden Chariot which we have taken for operation from Karnataka State Tourism Development Corporation that is also going to be on track soon. Our Buddhist train will also be there, we are also producing new Bharat Gaurav and going to operate our first Ramayana which would be linking two countries India and Nepal and all our air packages are doing well, our air booking is also doing well, so things are now started improving from February onwards as far as the tourism is concerned. But actual results have been seen only in the month of April not in the month of March.

Jins Varghese: And in term of margins international or Indian there out for competitive margins?

Rajni Hasija: Clearly we see 13% margin but there are few products where we have crossed the margins of 20% also there are few products. Because when the demand is more we also try to play these margins but when the demand is less we also try to reduce our margins it depends on a product to product. But we never catch less than 10% that is for sure.

Jins Varghese: Thank you madam I will call back to you.

Moderator: Thank you. Our next question comes from the line of Rattan Joneja with Co-Value Technologies Private Limited. Please go ahead.

Rattan Joneja: Hi! Thanks for the opportunity and good day. My question is about on internet ticketing what is the percentage of unreserved tickets to total tickets for Indian Railways and what change do you expect and second question relating to internet ticketing is, do you see any increase in price for the convenience going in the future couple of years?

Rajni Hasija: I will answer your second question first, we do not foresee any change in the pricing of convenience fee that we are charging from our customers as of now. But as far as the percentage of the unreserved segment is concerned it is right, 7% of the total inventory available. I am telling you from my experience and which I have worked in the railways. Total I think 7% of the inventory is only reserved, but the revenue from the reserved segment is much more than the unreserved that is the thing I have learned in Indian Railways that I can quote but the exact figures you can see on the annual report.

Rattan Joneja: Do you mean to say 93% is unreserved tickets in India?

Rajni Hansija: In unreserved also there are further segments, suburban, non-suburban so there are many segments for that you need to see the Indian Railways portal. I can only tell you about the reserved segment.
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Rattan Joneja: Over a period in the long-term five years, ten years, fifteen years, do you see this change come that unreserved percentages will start coming down.

Rajni Hasija: Given an option to a customer if the facilities are available and the confirmed travel is also ensured why people will not get themselves converted to the reserved. When the unreserved was not there during the COVID period people were travelling in the reserved as reserve segment. So, over a period of time if the transition is happening well, I am not travel forecaster but given an option to a person, the person would certainly like to travel in the confirmed kind of a setup rather than uncertain setup.

Rattan Joneja: So, there is an opportunity.

Rajni Hasija: There looks an opportunity, if unreserved train gets converted into reserved there is an opportunity for us since it has been on the other side we lost some chunk of out that not fully but still we are much ahead of the pre-COVID levels and side by side Indian Railways have started introducing many new trains with the modern technology and modern coaches when such kind of facilities are available people would like to try that also.

Rattan Joneja: My other question was related to you had launched bus ticketing, I have not heard or read what is the status of the bus ticketing business that we are getting, also you had mentioned that there are the hotel aggregation business there was a lot of tie ups that were happening this hotels. What is the status of that would be?

Rajni Hasija: In the bus ticketing we have not only tied up with the red bus and the Abhi Bus we have also tied with the various state to resume development for the state SCDCs etc. I think several states we have tied up and we are also booking their buses. Bus booking has gone up after this, how much it has gone up I will get you the figure before we close. The revenue from the bus booking is Rs.6 lakhs per day.

Rattan Joneja: Okay, Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question of the day. Now, I would like to hand over the conference to our management.

Rajni Hasija: Thank you very much all the investors for patient hearing and I hope we have been able to clear all your doubts and able to address any query. In case of any further queries you may also send it to our relationship officer who can also send the reply through email. However, I am also available round the clock where all the queries of you can be answered. So, staying with the IRCTC is the good proposition as it was earlier, so we can wish each other
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a very good luck for the coming year and let us hope that the way the previous year has been kind to us, the upcoming year will also be. Thank you very much investors. Thank you.

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