



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

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<b>BSE Limited</b> 1 <sup>st</sup> Floor, New Trade Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai – 400 001  <b>Scrip Code: 542830</b>	<b>National Stock Exchange of India Limited</b> “Exchange Plaza”, C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051  <b>Scrip Symbol: IRCTC</b>
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**Sub: Outcome of investors/analysts meet – Transcript of “Q2FY’24 Earnings Conference Call” held on November 8, 2023.**

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

**Sir/Ma’am,**

In reference to our communication dated November 3, 2023, please find enclosed herewith the transcript of “Q2FY’24 Earnings Conference Call” held on November 8, 2023.

You are requested to kindly take the same on record.

Thanking you.

Yours sincerely,

**For and on behalf of Indian Railway Catering and Tourism Corporation Limited**

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

**Encl: a/a**



**IRCTC Limited**

**Q2 FY24 Earnings Conference Call**

Event Date / Time : 8/11/2023, 16:00 Hrs.

Event Duration : 44 mins 26 secs

**CORPORATE PARTICIPANTS:**

**Ms. Seema Kumar**

Chairman and Managing Director

**Mr. Ajit Kumar**

Director – Finance and Chief Financial Officer

**Mr. Lokiah Ravikumar**

Director – Catering

**Mr. K. K. Mishra**

Director – Tourism and Marketing

**Q&A PARTICIPANTS:**

1. **Jinesh Joshi** : Prabhudas Lilladher Pvt Ltd
2. **Siddharth Agrawal** : Systematics
3. **Rohan Nagpal** : Helios Capital Asset Management
4. **Rohith Jain** : Tara Capital
5. **Ankit Agarwal** : Individual Investor
6. **Madhuchanda Dey** : MC Pro
7. **Deepesh Lakhani** : Dolat Capital

## Moderator

Ladies and gentlemen, good day and welcome to the IRCTC Limited Q2 FY 24 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 conclude. Should you need assistance during this conference call, please signal an operator by pressing \* and then 0 on your touch tone phone. Please note that this call 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. Good afternoon, everyone. On behalf of Dolat Capital, we welcome you all to the Q2 FY24 conference call of IRCTC Limited. I take this opportunity to welcome the management of IRCTC represented by Ms. Seema Kumar, who is CMD of the company; and Mr. Ajit Kumar ji, who is Director Finance, and CFO of the company. And we also have Dr. Lokiah Ravi kumar , who is Director of Catering ; and Mr. K.K.Mishra ji , who is Director for Tourism and Marketing segment. And now I would like to hand conference over to IRCTC management to take the proceeding forward. Over to you please.

## Seema Kumar

Good afternoon, everyone. I'm Seema Kumar, CMD here. At the beginning, I would like to extend a very warm welcome to all the participants for the con call of IRCTC Limited for the quarter ending 30<sup>th</sup> September 2023. Yesterday, the company had announced the unaudited financial results for the Q2 FY24 and then same has been advised to both the stock exchanges as well.Now, I will give a brief overview of Q2 FY24 followed by the Director of Finance and CFO, who will give the details of performance of various business segments, following which, we shall have the question-and-answer session.

In Q2 FY24, the company has reported revenue just under INR 1,000 crores mark as INR 995.3 crores, which is a growth of 23.5% YoY and almost at par on QoQ basis. The largest segment Catering as well as Tourism have been the main driver of the YoY revenue along in this year.I'm very happy to report that almost all the segments have reported an improvement in EBIT margin both on YoY as well as QoQ basis.Absolute EBITDA has also hit a new high at INR 366.6 [ph] crores, **[Inaudible 00:02:53].The company reported a net profit of INR294.67 [ph] crores** in September quarter of FY24, making an increase of 30.36% from INR226.3 crores in Q2 FY23.

Net profit is the highest ever profit registered by the company in the history of IRCTC in this quarter. The Board of Directors of the company has declared an interim dividend of INR 2.5 equity share for a face value of INR 2 per share for FY24 which is 125% of paid-up share capital which stands at INR 160 crore. At that consolidated level, EBITDA margin stands at 36.8% vis-à-vis 37.8% YoY and 34.2% QoQ basis. Here, I would like to conclude my opening remarks by wishing you and your dear ones are very

happy and prosperous Diwali. Now, I will hand over this call to my colleague and our Director, Finance, and CFO, Shri Ajit Kumar to brief you on the financial and segmental performance of the company. Thank you.

### **Ajit Kumar**

Hi everyone your dear ones are in a good health. I shall, first, give a brief overview about Q2 FY 24 results, post which we shall have the question-and-answer session. Q2 FY24 revenues saw another quarter of good growth. Revenue of INR995.3 crores grew by 24% year-over-year and on quarter-over-quarter basis and it's almost at par. Consolidated EBITDA margin improved QoQ to 36.8% versus 34.2% quarter-over-quarter and 37.8%year-over-year given the change in revenue mix. Net profit after tax for the quarter came at INR294.7 crore versus INR 226 crore in Q2 FY23 and INR 232.2 crores Q1 FY 24.

Now let us move to the business segments of the company, the Catering segment. It reported a 29% YoY growth in revenue to INR 431.5 crores through on QoQ basis and it declined by 10% due to lean season in the Q2 which is a usual scene we have seen in the earlier years.However, I would like to highlight that,Q2 FY24 revenue run rate is higher than the best quarter of FY23, which was Q4 FY23 by 9%.Importantly, the EBITDA margin continued to report good improvements to 17.2% versus 14.6% quarter-over-quarter and 10.6% YoY basis.

The Internet Ticketing segment, this continued demonstrate the resilient amid conversion of reserved tourist tickets back to unreserved tickets during the pre-pandemic period and the revenue for the quarter was at INR 327.5 crore growing by 9% YoY and 13% QoQ, and EBITDA margin for the quarter came at 83.7% versus 82.7% QoQ and 84.2% YoY.

The next segment is Tourism and State Teertha, that segment saw strong growth in revenue for the quarter at INR 161.4 crores, implying a growth of 63% YoY and 13% QoQ. Given the revenue growth this segment reported positive EBITDA margin of 3.6% versus a loss both on QoQ and YoY basis.

And the last segment, Rail Neer saw Q2 FY24 revenue of INR 78 crores, implying a growth of 4% YoY and decline of 19%QoQ, reported EBITDA margin of 12.9% versus 7.5% YoY and 13.2% QoQ.

For Q2 FY24, the cash and bank balances and net worth of the company at the end of the quarter is INR 2,026 crores and INR 2,846 crores respectively. I wish that happy and prosperous Diwali to all of you. Now, we can straight way move to the question – and –answer session. Thankyou.

### **Q&A**

#### **Moderator**

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question, may press \* and 1 on your touch tone telephone. If you wish to remove yourself from the question queue, you may press \* and 1 again. Participants are requested to use handsets

while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Jinesh Joshi from Prabhudas Liladher Private Limited. Please go ahead.

**Jinesh Joshi**

I have a question on the Catering segment. So, I think in the month of September, we made an announcement that IRCTC will manage Catering facilities in all coaches and trains that are booked on the full tariff rate. So, first, if you can just speak about the opportunity size that we target over here. And also, what kind of incremental revenue do we foresee from this arrangement per se?

**Seema Kumar**

Actually, this full tariff rate, FTR trains, these are train on demand booked by the party. So, there is not a fixed kind of a target we can fix, but I can give you the kind of YoY demand we have. This is not a very huge market, but it's a big responsibility, because it has been given entirely to the IRCTC to do the business. Last year, there were roughly 100-odd trains which are booked on full tariff rates. So, looking at the same kind of a traffic or maybe marginally depending on the market demand. So, these trains are booked by the parties for the movement on special occasions et cetera.

**Jinesh Joshi**

So, in nutshell, the opportunity size is not big enough, right?

**Seema Kumar**

Right now, it can't be ascertained, but I can tell you what is the trend for the previous years. We will know by the end of the year or maybe during the course of discussion, we will let you know by mail the details of number of trains run and the size of the pie we are looking at through the FTR trains.

**Jinesh Joshi**

Sure. My second question is also with respect to the Catering segment. So, can you share how has been our response with respect to the tie-up with Zomato that we announced sometime back? What is the fee per order that we get over here? And I believe the current arrangement is limited to five stations, so do we plan to go Pan India over here?

**Seema Kumar**

Yes, definitely. This is just a pilot we have tied-up, because here we are dealing not per meal, we are dealing with the volumes. So, we have come up with a pilot MoU, pilot agreement with the Zomato to start with. And if it is successful, we will definitely like to go on the Pan India level.

**Jinesh Joshi**

What is the fee per order, if you can share?

**Seema Kumar**

We have just started in October, but it will be lump sum INR 40 per order.

**Jinesh Joshi**

One last question from my side, if you can just share the number of ticket booked and the convenience fee for the quarter.

**Seema Kumar**

Yes, sure. Just give me a moment, please, I will give you. Convenience fee for this Q2 of 2023-24 is INR 220.98 crores. And as compared to Q2 2022-23 was INR 200.23 crores, which is a growth of 11% QoQ and 10% YoY.

**Jinesh Joshi**

Number of tickets book, if you can just share that number.

**Seema Kumar**

Yeah, tickets booked also I can share. We have number of ticket books for the Q2 2023-24 are 1,164 lakh as compared to 1,069 lakh in Q2 of 2022-23.

**Moderator**

Thank you. Next question is from the line of Sidharth Agrawal from Systematic. Please go ahead.

**Sidharth Agrawal**

I've been follower of IRCTC since a long time. Ma'am just two questions, actually maybe just one question. Some other online ticketing platforms like MakeMyTrip and EaseMyTrip, they are offering products like free cancellation and trip guarantee offers with train ticket booking. So, what I wanted to know is, IRCTC also planning to launch a similar feature to retain ticketing user? And if yes, then when, and any estimate of the annual revenue potentials on the same or when can we start seeing revenues on such product?

**Seema Kumar**

See, as of now, we have no such product for the offering, but definitely taking the market trend in the view we can plan, and we should rather look at the offerings available in the market.

**Sidharth Agrawal**

Okay. But nothing has been fructified or thought of right now?

**Seema Kumar**

Not yet.

**Sidharth Agrawal**

I'm not trying to pre-empt anything, but don't you feel that they may be using a large number of customers for that?

**Seema Kumar**

As I have told you, the customers are of Indian Railway customers. We are front-end for the e-ticketing of India Railways. But yes, as you've pointed out, if something is available in the market being offered by other players, we would definitely like to have a look at it.

**Moderator**

Thank you. Next question is from the line of Rohan Nagpal from Helios Capital Asset Management. Please go ahead.

**Rohan Nagpal**

So, you told us that INR 221 crores is convenience fee revenue for the quarter. Could you provide a break-up of the remaining INR 100-odd crores that is booked under Internet Ticketing or what fraction of that is say advertising or iPay revenue, et cetera?

**Seema Kumar**

Yes, definitely. As I said, the convenience fee stands at INR 221 crores, then agent business is INR 44 crores, then payment gateway business is INR 17 crores, then loyalty program is INR 12.39 crores, marketing and advertising et cetera is INR 7.29 crores, iPay is INR 19.58 crores, and then digital marketing et cetera is INR 1.16 crores. All stuffed together makes it INR 323.46 crores.

**Rohan Nagpal**

Got it. So, you said payment gateway INR 17 crores and iPay is about INR 11 crores.

**Seema Kumar**

iPay, I said INR 19.58 crores.

**Rohan Nagpal**

INR 19.58 crores. Okay. And what is the exact difference in the economics of transactions that are carried out through the regular gateway and through iPay?

**Seema Kumar**

Yes. I'll give it to you. Just give me a moment, please. iPay transactions, I can give you the trend growth in the iPay transactions. For the quarter, revenues from the iPay transactions have increased 13.63% as compared to the previous quarter because we have registered revenues of INR 1.75 crores and also increase of 59% over the previous quarter, that is Q2 of FY22-23. During the call, I will try to get you the data of what you're looking for, how much is the percentage of total transaction by the iPay.

**Rohan Nagpal**

All right. Thank you so much. And one more question on Catering. So, what is the total number of trains on which Catering can potentially be offered and what is the sort of progress that we have made in terms of implementation of the new Catering policy tariffs on these trains?

**Seema Kumar**

See, during the quarter Q2, we have added 11 pair of Vande Bharat train. This is mobile Catering. As far as starting catering is concerned, we have added 18 new units, eight fast food unit, two Plaza, one that adding room, refreshment room are strict spaces, and then total 18 static catering units have been added, 11 Vande Bharat trains have been added. As a result, if you see, in mobile catering, our revenues have gone up by 26.7% if you see YoY. Last year in Q2, it was at INR 292.82 crores and this year in Q2 at INR 371.16 crores which is an increase of 26.7%. Similarly, we started Catering, if you have a look at it, in Q2 2022-23, it was at INR 33.70 crores. While in this year Q2, we are at INR 55.90 crores, which is a 65% increase. So, we are definitely, progressively, making huge strides in both segments of Catering, mobile Catering as well as static Catering.

**Rohan Nagpal**

Understood. That's very encouraging. I was just trying to get at least from the perspective of how much headroom is there for this to grow. So, how many trains are there where the new Catering policy is still not implemented or is yet to be implemented?



**Seema Kumar**

See, it's like, I would say, roughly 200-odd contracts are in pipeline for train side vending. All the pantry car trains have been covered, all the prepaid mail express train have been covered which are having pantry car. So, few trains we have to do for the train side vending, these Catering contracts are in the pipeline.

**Moderator**

Thank you. Next questions from the line of Rohit Jain from Tara Capital. Please go ahead.

**Rohit Jain**

Good evening. So, just a question again on catering. The license renegotiation that was due, has it been completed, let's say, for all the trains in which there's pre-book meals, like Shatabdi, Rajdhani, et cetera?

**Seema Kumar**

Yes, the exercise is complete. I suppose you are hinting towards the revision of the license fee which was to be done as per the year 2019. That has been done. We have raised the bills. There are few court cases also have been registered, we are in the process of realizing it.

**Rohit Jain**

So, I mean, what I'm trying to understand is, that since it was supposed to be done on a retrospective basis, are we going to, let's say, get any one-time benefits going ahead or all these benefits have already been accounted for?

**Seema Kumar**

No. This is from the post dated, from 2019.

**Rohit Jain**

My understanding is that, this tariff revision was from 2019-20, as you mentioned, but because of COVID et cetera, it could not be implemented. So, what I'm trying to understand is, do our numbers reflect the benefit of retrospective change in license fee or are we going to register a one-time gain whenever we get that income?

**Seema Kumar**

You're right. Whenever the realization happens, we will register again. Right now, we have and **[Inaudible00:20:34]** and raised the bill.

**Rohit Jain**

And on a prospective basis, is it fair to say that there is no increase in the license fee, current quarter revenues reflect the steady state run rate?

**Seema Kumar**

Yes. This is as per the existing license fee.

**Rohit Jain**

Okay. And last question is, there was a dip in the Catering revenues sequentially from last quarter to this quarter. Is it just because of seasonality or is it because of some other factors as well?

**Seema Kumar**

Absolutely, it's important. This is because of seasonality. As you know, April, May, June is a peak summer period for people to travel because of summer rush. That is the reason, it happens every year. And there have been few cancellations because lot of infrastructure work is going on Indian Railways which we are all aware. So, there are some increase in number of cancellation as well as because of seasonality, there has been very slight decrease as compared to Q1 to Q2.

**Rohit Jain**

Understood. And one question on the ticketing side. Can you share the percentage of tickets booked using UPI, and also the AC, non-AC split?

**Seema Kumar**

Yes. Give me a moment please. I can give you the breakup of class-wise. If we see the class-wise breakup. AC class and other ticket you see. For the Q2 is 540 lakhs in Q2 of 2023-24 as compared to 484 lakhs AC ticket in Q1 of 2023-24. And if I compare it with the Q2 of the last year, last year was 438.11. So, there's an increase in number of tickets booked.

**Rohit Jain**

Understood. And UPI versus non-UPI?

**Seema Kumar**

UPI, I can give you the revenues how they have gone up. So that will give an direct indication of increase in the traffic. So, as far as the UPI, if you see Q2 of 2023-24, 453 lakhs tickets have been booked in the Q2 on UPI transactions.

**Rohit Jain**

Okay. Thanks. And, ma'am, just one last suggestion from my side. All these granular data that we provide on the call, if you can just put them on a slide deck and sort of release that with the earnings that would be very helpful for us to keep track of it.

**Seema Kumar**

Yes. But I'll just mention, since you're asking for the UPI, I just want to share a very interesting data. If you see UPI transition share, I think one more caller had asked earlier. It is increased continuously. If you see transaction share has grown to 38-39%, UPI transaction.

**Rohit Jain**

So, currently about 38% of the tickets are booked using UPI, is it?

**Seema Kumar**

Yes.

**Rohit Jain**

And what was this number last quarter?

**Seema Kumar**

Last quarter, number of tickets were 393 lakhs.

**Rohit Jain**

As a percentage? Like you said, this quarter it was 38%. What was it last quarter?

**Seema Kumar**

Last quarter have 2% growth. If you see on the quarter, YoY 7%. As you suggested all the data so that everybody can see and I don't have to pitch up. Everybody doesn't need [Inaudible00:25:04].

**Rohit Jain**

Exactly. Yes. That would be very helpful if you can put all of this in a slide deck.

**Seema Kumar**

We'll do that. I think it's a good suggestion. Thank you.

**Moderator**

Thank you. Next question is from the line of Ankit Agarwal, an Individual Investor. Please go ahead.

**Ankit Agarwal**

I wanted to know that if you could provide any guidance for like FY24 revenue and in terms of margins and for FY25 as well?

**Seema Kumar**

We can expect to continue with the same theme and do better.

**Ankit Agarwal**

Okay. And, ma'am, what would be the reason for decline in the Rail Neer revenues in the first half of FY24?

**Seema Kumar**

See, Rail Neer, again, be it Catering or be it Rail Neer, this is directly linked to the number of people travelling in the train. And as we have discussed in the earlier call, April, May, June is a peak season for rail travel because of summer rush. And then June, July, August, Q2 is always if you compare, as compared to Q1, it would look little lesser. But if you see the same period, identical period for the Rail Neer, in last year 2023-24 for Q2 I'm talking about, there's an increase of 3.81% in the Rail Neer segment as well, because we have registered a revenue of INR 78 crores as against INR 75 crores last quarter. So, there is an increase in Rail Neer segment also this year.

**Ankit Agarwal**

There's a margin decline as well in the Rail Neer and Rail Neer section in Q2. What's the reason behind that and what are the steps taken to revive it?

**Seema Kumar**

Rail Neer's requirement is largely, it is directly linked to number of people travelling in the train. So, if I have more cancellations and if I have lesser people travelling because of seasonality of April, May, June. Again, you will see in the next quarter because of festive season there will be a jump. This is a

trend every year. So, there is no systemic degradation of the services. Our capacity is very much there to produce the Rail Neer. Depending on demand, the results are seen.

**Ankit Agarwal**

And last thing, any indication of the second half of FY24 will be better in terms of, like, better than the first half of FY24?

**Seema Kumar**

Yes, definitely. We are looking forward to do much, much better, because of coming festive seasons and also tremendous efforts you are making in all the segments be it Tourism, be it takes special trains and everything.

**Moderator**

Thank you. Next question is from the line of Madhuchanda Dey from MC Pro. Please go ahead.

**Madhuchanda Dey**

I have a couple of questions. I mean, maybe I have missed this answer. But I didn't get what was the reason for this kind of a 13% jump in the internet ticketing revenue sequentially?

**Seema Kumar**

See, what happened in the internet ticketing, the tickets are booked 120 days in advance, because that is our advanced reservation period. So, all these tickets were booked in advance, right?

**Madhuchanda Dey**

Okay. For the festive season?

**Seema Kumar**

Yes. Okay. While the Catering and Rail Neer would be actually based on number of people travelling, while e-ticketing is in advance and Catering and Rail Neer is directly related to the number of people travelling during that time. That is the reason.

**Madhuchanda Dey**

Yes, got it. And just one clarification. This tourist category doesn't contribute anything, right, to the internet ticketing now?

**Seema Kumar**

It is now reduced to very little because now Board has withdrawn that mandate which was given to us during the COVID.

**Madhuchanda Dey**

Okay.

**Seema Kumar**

This is a very, very small segment.

**Madhuchanda Dey**

And so, this entire jump has come because of the advanced ticketing for this festive season.

**Seema Kumar**

Yes.

**Madhuchanda Dey**

Okay. Thanks. My second question is on the Catering margin which has improved, although the revenue has declined as you rightly pointed out, because of lower number of passengerstravelling et cetera. So, what was the reason for the improvement in margin and what is a sustainable margin for the Catering business?

**Seema Kumar**

In this, what happens, if we add number of trains, it will improve my revenues or this thing. Because, during this quarter, 11 pair of Vande Bharat new trains were added, okay. And then, as I told in the earlier call, even in the static Catering unit we have added more number of units. In e-Catering also, our business on quarter-to-quarter is increasing. So, while you would see my expenditure is also linked directly to the number of trains I serve. So, if there are more cancellations, so I am serving lesser trains which also takes away my expenditure portions. So, my margins are directly linked to revenues and the expenditure which is directly linked to the number of trains which are travelling.

**Madhuchanda Dey**

No, I mean, I still didn't understand, the jump in margin is quite substantial .If one look at segmental margin, at this point 14.6 to 17.2.

**Seema Kumar**

Yes, I will give you some data to substantiate and try to rephrase my answer to you. If you see in case, then you also see at the expenditure part of it. I'll tell you.

**Madhuchanda Dey**

So, are you trying to say that the addition of Vande Bharat et cetera are better margin businesses even within catering?

**Seema Kumar**

Yes, prepaid trains are my premium trains which give me better margin, because there is assured catering business in prepaid. This is part of the ticketing. Right?

**Madhuchanda Dey**

Okay. So, one part of this jump could be explained because you have added Vande Bharat kind of premium trains into the catering, right?

**Seema Kumar**

Right.

**Madhuchanda Dey**

Okay. So, I have another question with some other participant also asked you, which is, in Catering, for instance, what is the total number of trains that you're servicing, either pantry or through mobile?

**Seema Kumar**

See, if I could just give the perspective I have on my hand. Before COVID, we were serving total 891 pair of trains, in which the trains without pantry were 474 pairs and rest was pairs with pantry cars. Now, after the COVID, we are serving around, say, 363-plus 381. So, without pantry has been covered almost 80%. While we were serving only 474 trains and now we are serving 749 pair of trains without pantry cars. So, there is a tremendous jump in the trains without pantry cars. The coverage has increased tremendously.

**Madhuchanda Dey**

And with pantry cars, how many are you serving now?

**Seema Kumar**

With pantry cars, I'm serving 437 mail express trains, 37 Gatimaan, Tejas, Vande Bharat and 66 pairs of Rajdhani, Shatabdi, Duronto.

**Madhuchanda Dey**

So, that has reduced?

**Seema Kumar**

No, it's not reduced. See, Gatimaan, Tejas, Vande Bharat are only five. All the Vande Bharat have been introduced now in this year, from 12 to we have reached to 34 pairs.

**Madhuchanda Dey**

No. I didn't get the numbers, ma'am. You said, pre-COVID you were serving 891 train pairs with pantry cars. So, what is that number post-COVID?

**Seema Kumar**

No. 891 were the total train pre-COVID and out of which 474 was a non-pantry. So, if I take that out, so this will be 417.

**Madhuchanda Dey**

Okay.

**Seema Kumar**

Right, 417 will be this. Right now, we are at 1,284 pairs from 891.

**Madhuchanda Dey**

Okay, altogether?

**Seema Kumar**

Altogether.

**Madhuchanda Dey**

And, ma'am, what is the potential, where can it go to by the end of, say, FY25?



**Seema Kumar**

This all depends on number of new services being introduced by the railway, which are in the offering. Vande Bharat, as you're aware, large number of orders have been placed, all the Vande Bharat would be coming. There is a roughly assessment of 450 Vande Bharat in the coming years. And also, besides Vande Bharat, there are few 100, 200-odd trains, in which I have to do the train side vending contract. So, we are looking at it. Vande Bharat is totally dependent of number of services introduced by the Indian Railways and 200-odd trains which are still to be covered in the train side vending. That chunk is already running, I have to provide services.

**Madhuchanda Dey**

Okay, ma'am. So, if you can share a similar statistics for Internet Ticketing, how many trains are covered by you under Internet Ticketing and how many more trains are in the pipeline in the next two years?

**Seema Kumar**

See, Internet Ticketing is almost 80%. Okay. It's not train specifics. Inventory is, 20% people are still going to the counters, right, railway counters; 80% are doing on the e-ticketing. So, it is not train specific. The whole inventory is divided, people who can do e-ticketing and the people who still opt to go to the railway counters.

**Madhuchanda Dey**

Okay. And how many more in terms of new train addition. I mean, the growth can only come from, the penetration is kind of 80% of recent penetration. So, the growth can only come from addition of inventory, which can happen only if Indian Railways decides to introduce new trains.

**Seema Kumar**

Yes.

**Madhuchanda Dey**

So, what is that pipeline?

**Seema Kumar**

I'm not privy to this, because this is a decision of Ministry of Railways.

**Madhuchanda Dey**

Right. But still, as you pointed out about Vande Bharat et cetera.

**Seema Kumar**

Actually, those were the announced. Obviously, when Vande Bharat trains have introduced, their ticketing inventory will also be added. For the new trains also the ticketing inventory would be added for those 20 trains. And then 80% of those trains or 90% of that inventory we are expected to be added to the in e-ticketing. As and when new train is added, e-ticketing also grows along with the Catering and the Rail Neers.

**Madhuchanda Dey**

Okay. So, we just wanted to get a sense of the organic growth in the sense, if, say, between last year and this year, what is the quantum increase in the inventory of tickets?

**Seema Kumar**

Okay. Total inventory of Indian Railways?

**Madhuchanda Dey**

Yes, of Internet Ticketing.

**Seema Kumar**

We'll share with you. It will need more detailed discussion on this, because even in train, a single bus can be booked multiple times. So that results into [Inaudible 00:38:19]. So, we'll definitely get back to you. It is detailed discussion matters, right?

**Madhuchanda Dey**

Okay. And, ma'am, just one last house keeping question. What was the share of the Tejas revenue in Tourism?

**Seema Kumar**

For the Q2 of 2023-24 revenues from Tejas are INR 33.98 crores as compared to Q1 of 2023-24, INR 45.88 crores. This is because of the Tejas.

**Madhuchanda Dey**

Okay. And their profitability?

**Seema Kumar**

We are working towards it, because now whatever concessions are given by the Ministry of Railways, they have withdrawn all those concessions. Now, we are re-aligning our expenditure contracts to make it a profitable venture.

**Madhuchanda Dey**

It is not broken even in this quarter.

**Seema Kumar**

Right now, we are in the process of re-aligning our expenditure contracts.

**Moderator**

Thank you. Next question is from the line of Deepesh Lakhani from Dolat Capital. Please go ahead.

**Deepesh Lakhani**

So, my question was on your collaboration with Zomato in this quarter. So, what is the response from this collaboration and are you making any margins out of this?

**Seema Kumar**

See, as I stated in one of the call, it is just begin, it's a three-week old collaboration with Zomato. And now what we have said is, for Zomato we have worked out a model where IRCTC is taking INR 40 per order, right? And railway share comes to INR 16.

**Deepesh Lakhani**

Okay.

**Seema Kumar**

Actually, in the next quarter, picture will be clearer, how much volume Zomato is bringing to us and how much are the earning patterns. That is why pilot has been limited to five stations for a six month period to understand how this model will work which is dependent on the volumes rather than percentage value of each order.

**Deepesh Lakhani**

How many bottles are produced in a day, average, in this quarter?

**Seema Kumar**

RailNeer?

**Deepesh Lakhani**

Yes.

**Seema Kumar**

Okay. See, we are producing around 12 lakh liters per day. We have the capacity of 16 lakh liter per day, but as for the demand we are producing 12 lakh liter per day. And also we have added one Rail Neer plant in this quarter at Kota. Kota Rail Neer plant commissioned on 19th October of this quarter.

**Deepesh Lakhani**

Okay And the Bhubaneswar, ma'am?

**Seema Kumar**

Bhubaneswar and NTPC-Simhadri is likely to come in the next quarter, Q3 of this year.

**Deepesh Lakhani**

Okay. So, what will be our capacity then after adding this?

**Seema Kumar**

See, right now, I'm at 16,24,000 and after adding Bhubaneswar and NTPC-Simhadri, this is 72,000 each, litre.

**Deepesh Lakhani**

Okay. And so, my last question, what is the update on the Tejas train online charges which you accounted in last quarter? You had mentioned that you are in words with the Ministry of Railways.

**Seema Kumar**

Yes, we are still touching with the Ministry to have a re look at the decision, because they have withdrawn it from the prospective date.

**Moderator**

Thank you. That will be the last question for the day. I would now like to hand the conference over to Ms. Seema Kumar for closing comments.

**Seema Kumar**

I would like to thank each one of you who have taken time out to have a conversation with the management and to understand and give us also the direction in which company needs to look at to go for the further growth. Wishing all of you and your family is a very Happy Deepawali. Thank you and very good evening.

**Moderator**

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

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- Note:**
1. This document has been edited to improve readability
  2. Blanks in this transcript represent inaudible or incomprehensible words.