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BSE Limited **(Through BSE Listing Centre)** 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** **(Through NEAPS)** "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 "Earning Conference Call on Q1FY27 Results" held on Thursday, August 13, 2026.

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Sir/Ma'am,

In reference to our communication dated August 06, 2026, please find enclosed herewith the transcript of "**Earning Conference Call on Q1FY27 Results"** held on **Thursday, August 13, 2026.**

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

Digitally signed by suman kalra
DN: c=IN, o=Indian Railway Catering and Tourism Corporation Ltd, ou=Company Secretory, 2.5.4.20=97d540451782e28473735b6f729b19b358c83ac8f8cc2024f33c3f49078d3e9d, postalCode=110001, st=DELHI, serialNumber=4deeb12f23f611e01f72faebd9647ad036cef3343d11ad1af4409df02068217c, cn=suman kalra
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(**Suman Kalra**)
Company Secretary and Compliance Officer

Encl: a/a

"Indian Railway Catering and Tourism Corporation Limited

Q1 FY26 Earnings Call"

August 13, 2026

MANAGEMENT: **MR. RAHUL HIMALIAN – CHAIRMAN AND MANAGING DIRECTOR TOURISM AND MARKETING – INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**
MR. RAJNEESH NARAIN – DIRECTOR FINANCE – CHIEF FINANCIAL OFFICER – INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED
MR. MANOJ KUMAR SHARMA – DIRECTOR CATERING SERVICES – INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

MODERATOR: **MR. RAHUL JAIN – DOLAT CAPITAL MARKETS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the IRCTC Limited Q1 FY27 earnings 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Jain from Dolat Capital. Thank you, and over to you, Mr. Rahul.

Rahul Jain: Thank you, Nitesh. Good afternoon, everyone. On behalf of Dolat Capital, we welcome you all to the Q1 FY 2027 earnings conference call of IRCTC Limited. I take this opportunity to welcome the management of IRCTC, represented by Mr. Rahul Himalian-ji, who is CMD and Director Tourism and Marketing; Mr. Rajneesh Narain, who is Director Finance and CFO, and also we have today with us Mr. Manoj Kumar Sharma, who is Director Catering Services of the company.

Now, I would like to hand the conference over to IRCTC management to take the proceedings forward. Over to you, Mr. CMD.

Rahul Himalian: Namaskar. Good afternoon, ladies and gentlemen. I am Rahul Himalian, Director Tourism and Marketing and Chairman and Managing Director looking after. It is my pleasure to welcome you to IRCTC's earning call for the first quarter of this financial year 2026-2027. The financial results for the quarter were announced yesterday and have been duly filed with the stock exchanges.

I would like to begin by sharing a brief overview of our performance, following which our Director Finance and CFO, Mr. Rajneesh Narain, will take you through the detailed financial and segment-wise performance.

Quarter 1 of financial year 2026-2027 has been a quarter of resilient performance for IRCTC, reflecting the strength of our diversified business model and the continued momentum across our core business segments

During the quarter, profit after tax stood at INR330 crores, supported by healthy performance across our Catering, Tourism, and Internet Ticketing segments. This performance was further supported by improved operational efficiencies and disciplined cost management. EBITDA stood at INR386 crores, registering a year-on-year decline of 2.77%.

Despite this moderation, the company continued to maintain a strong operating performance during the quarter. Our revenue from operations increased to INR1,370 crores from INR1,160 crores in the corresponding quarter of the previous year, representing a robust year-on-year growth of 18.10%. The growth was primarily driven by strong contributions from the Catering and Tourism segments.

Our performance continues to be supported by a strong brand, extensive customer reach, diversified business portfolio, and growing digital capabilities. We remain focused on enhancing operational efficiency while continuously improving the customer experience.

Looking ahead, we remain committed to strengthening our existing business and developing new age offerings. We will continue to leverage technology, enhance operational capabilities, and explore emerging opportunities across tourism, hospitality, and value-added services. We remain confident that our strong financial position, resilient business model, and focus on operational excellence will enable us to sustain our growth momentum and create long-term and enduring value for all our stakeholders.

And before I end, I would like to say that IRCTC is a customer-centric organization for that matter. For the external customer it stands for I Really Care Towards the Customer, IRCTC, and for the internal customer, our workforce, only when they are highly inspired and motivated. So for them, IRCTC stands for I Really Care To Contribute. So with this, the entire circle gets completed, and customer is god for us.

With this brief overview, I would now like to hand over the call to Mr. Rajneesh Narain, Director of Finance & CFO, who will take you through the detailed financial and segmental performance. Thank you, and I wish all of you a very productive discussion.

Rajneesh Narain Thank you, sir. Good afternoon, ladies and gentlemen. On behalf of the management of IRCTC, I extend a warm welcome to all of you to this earnings call to discuss our financial and operational performance for the Q1 2027.

I am pleased to share that the company has delivered increased revenue during the quarter, reflecting our diversified business model and disciplined execution. Profit after tax stood sustainably at INR330 crores as compared by year-on-year for the mentioned period.

Total revenue for the quarter reached INR1,370 crores, representing an 18.1% increase over the corresponding period last year. EBITDA stood at INR386 crores with a healthy EBITDA margin of 28.17%, although there is a slight decline in the margins due to changes in revenue mix, particularly higher contribution from catering and implication of additional HR cost of around INR20 crores and increase of direct cost in ticketing segment, our overall profitability remained strong and sustainable.

Let me now briefly highlight the segment-wise performance. Internet Ticketing revenue stood at INR361 crores, up by about 0.5%, and nearly 89% of the reserved railway tickets in India are now booked through our online platform, underscoring our leadership in digital tech stack. This segment delivered an impressive EBITDA in excess of 80%, reflecting strong operating leverage and cost efficiency.

Next, Catering recorded revenue of INR732 crores, achieving a robust growth of 33.82% year-on-year. Margins were impacted due to higher sales in train catering operations and pilot initiatives such as branded catering projects, along with our continued focus on enhancing customer value and passenger satisfaction.

Despite this, the segment remains a steady and scalable growth driver, supported by rising passenger volumes and ongoing service improvements. The related sector, Rail Neer, generated revenue of INR109 crores, registering a 2.83% year-on-year growth with a margin of about 10%.

Tourism delivered positive performance with revenue of INR168 crores, marking an increase in revenue with 13.5% year-on-year. Despite temporary geopolitical disruptions, EBITDA margins improved to 11.31% from 8.78%, reflecting a better product mix and focused cost realization initiatives.

Our overall first quarter results demonstrate the resilience of our business, disciplined cost management, a strong digital backbone, and unwavering focus on operational excellence. We remain confident in our growth momentum and are well-positioned to create sustainable long-term value for our stakeholders.

With this, I conclude my remarks. We will now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now being the question-and-answer session. The first question is from the line of Kanishk Gupta from SS Family House. Please go ahead.

Kanishk Gupta: Hello, sir. A very good afternoon.

Management: Good afternoon

Kanishk Gupta: My first question would be regarding the resignation Sanjayji made. Although, there were no reason specified there in the letter that he shared, so can you please tell the reason of his resignation and assure the shareholders and stakeholders that there are no material discrepancies within the company?

Management: Do you want me to answer this or you'll ask the remaining questions?

Kanishk Gupta: No, sir, you can answer this definitely.

Management: Yes. See, first of all, the performance, the leadership of Sanjay sir was phenomenal, in Railways as well as in IRCTC. This was a completely personal decision, and IRCTC will continue to grow stronger day by day. And even emulating his leadership skills will be a matter of pride for us in personal and professional, you have work-life balance. Certain situations come across. We respect that the thing, but IRCTC as an organization will continue to grow stronger, with even Sanjay Jain sir supporting from the outside in whatever capacity he can. So that we can assure you.

Kanishk Gupta: Okay, sir. And my second question would be on Rail Neer. So I would like to ask that during the channel checks conducted, we have seen meaningful availability of third-party bottle water brands across non-AC train categories and several station kiosks. So, could you help us understand whether this reflects supply constraints, distribution gaps, or any kind of compliance issues? And additionally, how should the investors think about the incremental revenue potential if Rail Neer were able to materially improve its share in these channels?

Management: See, Rail Neer at present is comfortably, and it has got a USP that it is priced at INR14 as compared to other PDW in the market. But now we are talking about the capacity, the capacity of Rail Neer, the installed capacity is around 17.77, it has reduced from 18.4 because of closure of one plant.

The requirement – the supply is around 15.5 lakh bottles per day. The requirement is much higher, that is why we have a few stations which are around 30 plus 25 plus, 25 lakhs bottles per day. But the issue remains that there are some mandatory stations around which Rail Neer bottles are compulsory. Now, this gap sometimes is unfortunately utilized by unauthorized vendors. It is a problem which is duly recognized by the railways, by IRCTC also, that these PDW should not come.

But the immediate approach for IRCTC is one, the augmentation of the existing capacity for which Ambernath, we are going from 2 lakh bottles to 3 lakh. For Danapur, we are trying to increase from 1 lakh to 2 lakh bottles per day. Other than that, we are coming with upcoming four new plants, Prayagraj, Mysore, Ranchi, and Bhagalpur.

In which, in Prayagraj and Mysore, the land has been allotted, in Ranchi the confirmation for the land allotment has just come yesterday. So, this is the conventional approach that we are trying to meet the gap by expansion of the existing plants and also by introduction of new plants.

Now, seeing the entire ecosystem across the country of packaged drinking water and how we can leverage and utilize it is a question which will be decided by many policy decisions. But the fact remains that we are within the conventional system and within the existing framework, we are going for the new plants and production capacity of existing plants is being augmented. Thank you.

Kanishk Gupta: And sir, I would also like to ask if you can give the timeline by which these new plants will become operational?

Management: See right now the land has only been allotted. It might spill over to the next financial year with focus on Prayagraj, Mysore and Ranchi first. And there are upcoming plants also for which we cannot say. Like, we may have plants in Varanasi, Pune, and other places also. Depending upon the – we have a radius of around 250 kilometers to which a plant can comfortably serve.

So, the timeline can easily extend to the financial year beyond '26, '27. And by this year we have augmentation of two plants will be should be finalized. If everything goes well by this financial year that is Ambernath from 2 lakh bottles to 3 lakh bottles and Danapur from 1 lakh to 2 lakh bottles. That should be finalized this year.

Kanishk Gupta: And sir final question would be on the catering side. So could you share any kind of trends in the catering attachment rates over the last few years and to what extent do you believe that food quality perception are affecting demand? And what measurable steps are being taken to improve the passenger experience and drive higher catering consumption? And on the quantitative side, so can you also quantify the mix of people who opt out and opt in for food for FY '26 and Q1 FY '27?

Management: Yes. See, as far the catering is concerned, like you know that there are – there is various category of trains including – prepaid trains like Vande Bharat, Rajdhani, Shatabdi, Tejas, Duronto, Gatimaan Express. Then comes Mail Express trains which have got pantry car and TSV trains, Train Side Vending, which do not have a pantry car.

But now like I said earlier also, the focus of IRCTC is customer-centric. In the given regime, we also have the option of e-catering, which has grown from around 1.25 lakh meals to more than 1.6 lakh meals per day. And we have also introduced the concept of e-pantry. E-pantry we are reaching around more than 50 plus trains, in which the passenger can order meals from the same train through his mobile or QR code in which the concept of overcharging will be obviated, which may reach around 100 trains. So in the same ecosystem, we are giving the passenger options of various things.

Now this is regarding quality, this is still at policy formulation. We at IRCTC understand that the quality has to – so we are also thinking in a guided by ministry of bringing in branded players. How their willingness bringing them into the ecosystem, and by way of competition or by way of quality competition, we will try to – this exercise may take some time, but this is the need of the hour, the need of the customer, and we will go towards this.

Kanishk Gupta: And sir, on the prepaid mix, what would be the percentage of people who opt in and opt out for food while booking their tickets via IRCTC?

Management: See, opt out, like I said, it will be around 15% to 30%. And in the complaints also we have focusing upon, INR58 crores meals per annum, we have a complaint ratio of .0008%. Our aim is to reduce it, sometimes whenever the complaint is purely on some anomaly like maybe the staleness of the food or some the staff behavior then we take it upon us.

But sometimes it is on taste preferences, perceptions and all. And many complaints are of suggestions, improvements noted, demand for water, demand for baby food and all. So out of around 300 to 500 complaints which are logged on a daily basis out of 18 lakh meals supplied on a daily basis, it comes to less than around .0008%.

Opt out is around 25% to 30%. But this figure will be confirmed. This is an offhand figure I am giving for opt-out. But this again shows that we have given the facility. Earlier it was more of opt-in, the people have started opting out and saving the catering charges.

Kanishk Gupta: Sir, if these necessary KPIs can be included in investor presentations for investors to look at better, that would be really helpful next quarter onwards.

Management: Yes. Thank you very much. We take note of your suggestion. We will go for the implementation.

Kanishk Gupta: Thank you very much, sir, and all the very best for the future.

Management: Thank you. Thank you very much.

Moderator: Thank you. We have next question from the line of Kashish Mehta from Dolat Capital. Please go ahead.

Kashish Mehta: Hi, team. Hi, thank you for taking my question and thank you for the opportunity. I would like to start, I just read a very interesting article, I think today morning or just yesterday about, Tejas, the advertising rights for Tejas being given to Sprite. And it is going to be rebranded as Sprite Tejas, which is, quite new because as of yet, a lot of times we see posters or some banners on trains, but, just rebranding the whole train as a certain advertisement.

And, just drawing those advertisement actions back to the, uh, margins which have improved sequentially for, uh, tourism. So, just wanted to get insights, is there some new leg that the company is now looking into and how, if these actions, propel forward, how is it looking for margins in the tourism sector?

Management: See first good afternoon to you. IRCTC operates two private trains. These are the only corporate trains that are operated all over Indian Railways. One is The Lucknow Junction-NDLS Tejas Express. Other one is The Ahmedabad–Mumbai Tejas Express.

Now, in this entire setup, we have comprehensive services of catering, security, housekeeping and ticket checking to be done by IRCTC staff only. So the experience is elevated in terms of, there are rail hostesses then there is a lot of Automation, GPS, CCTV on the train itself.

And in this very thing we have a concept of NFR, Non-Fare Revenue. In which comes the vinyl wrapping of the coaches, either on individual basis or a whole train basis, transcripts or boards being attached in the coaches inside, in which parties can come up. And we have a policy for this, and naming of the train. Like you can have LIC Tejas Express, you have a Sprite Tejas Express. Now there are amounts fixed. So in this way, the profitability and viability of the trains can come up.

Other than the fair revenue and the catering charges and all, catering license fee. So this is one of the ways. This had come up in the beginning when the trains came up, it became a little slow, now with our regional offices and zonal offices picking up, this concept of NFR will be promoted further. So, this is just one step. It was always there like a dormant volcano. So now it has come up for the first time and let me inform you the naming of the train of Tejas Express is being done for the very first time. Thank you.

Kashish Mehta: Sure, sir, just okay, okay, excellent, thank you. That is quite helpful. Sir, coming on to the catering vertical, so you did touch up, broadly upon what is propelling the vertical. But to again confine it to a quarter-on-quarter movement, it has been really wonderful, and something like which is off-beat from the past trends where Q1 for catering is usually a bit softer, but this time it has really, come up in the revenue numbers. So, could you just break it down, what specifically has helped these numbers for the quarter per se?

Management: Yes. I would answer your question, just one sec. See, first of all, I would like to say, before you understand, I go into the VV section of catering, if you understand that out of INR1,160 crores done in quarter one of financial year '26, we reached INR1,370 crores in quarter one of financial year '27, okay? So, of which, catering was INR732 crores, Rail Neer INR109 crores, Tourism INR168 crores and IT INR361 crores.

Catering itself was around 54% and the delta between quarter one '27 and quarter one '26 was INR732 crores minus INR547 crores that is around INR185 crores from catering itself while the delta in Rail Neer was only three, Tourism 20 and IT two. Okay.

So now catering at INR185 crores delta, out of which onboard sales from prepaid trains rose from INR301 crores to INR413 crores. Number two, license fee of these prepaid mobile trains plus other trains rose from INR192 crores to INR224 crores. That is, there was a rise of around INR105 crores from these two combined together.

Then license fee from static units rose from INR20 crores to INR33 crores, and license fee for e-catering rose from INR9 crores to INR22 crores. E-catering is another growing segment which has grown to around INR1.05 lakh meals from '25 to '26 to INR1.69 lakh meals in financial '26-'27. And e-catering revenue has grown by INR6 crores from INR16 crores to INR22 crores.

Then the election specials grew from INR5 crores to INR41 crores. So combining this onboard sales at INR413 crores, license fee for mobile trains at INR224 crores, license fee from static units INR33 crores, license fee e-catering INR22 crores, election specials at INR41 crores, and other income INR15 crores, total came out to be INR747 crores. So that was a breakup of your catering. Thank you.

Kashish Mehta: Right. Right. That is wonderful. Thank you. And so the last question is again a bit on the regulatory front, regarding the payment aggregator license. So what is, the progress, what is the status and how are we looking to monetize it, in terms of integration, what are the plans that the company is actively working on right now?

Management: See, in this, the iPay, IRCTC Payments Limited. First of all, we started off with the in-principle approval being given by RBI last year. And they had given us a time limit for submitting the final application on 4th August 2026. We have submitted the final application number one. Number two, the final application required a submission of SAR and MVP, that is System Audit Report and Minimum Viable Product feasibility. That we have submitted. It should take this financial year for RBI to respond. At the same time, they wanted a TSP to be finalized, where there is a technological service provider, which we have already engaged.

Once the iPay is in position, because right now out of 15 million tickets which are booked on a daily basis, around 90% are booked online by IRCTC, which comprise around 53% to 54% by RailConnect mobile app and around 17% by IRCTC website. The remaining 32% is G2G for various BSF, NSG, CRPF, CISF, and paramilitary forces, including army. Around 28% with business associates.

Now, in this entire setup, iPay does around 2.7 lakh transactions as of now because it cannot monopolize the entire system since it has not got the RBI license. But once we have the RBI license, we may express our expanse across IRCTC, number one. Number two, we can go to railways for various passenger and freight-related services like terminal management system and FOIS and all. Number one.

Number two -- number three, we can go to the railways as far as GeM is concerned, as far as pension scheme is concerned. Then number three, we can go to the private market. All these things have to go step by step on a ladder. If touchwood, if everything remains good, we go with the RBI license, then we can expand like any other payment aggregator, like Razorpay or PhonePe and all. Thank you.

Kashish Mehta: Right, right. That is all. I will just join the queue back again for follow-up questions later on. Thank you.

Management: Thank you. Thank you.

Moderator: Thank you. We have next question from the line of Navin from ithoughtPMS. Please go ahead.

Navin: Yes. Thank you for taking my question. Congratulations on a good set of numbers. Just wanted to understand a couple of things. So one thing is regarding the non-convenience fee. It would be great if you could provide the breakup between non-convenience and convenience first, and then also talk about some of the initiatives that are working, that are not working with respect to driving this non-convenience fee revenue. For example, the RailOne initiative and some of the other cross-sells that we are trying to do, including iPay. If you could just throw some light on that. You could answer the question first, and then I will ask my next question.

Management: Yes. Thank you very much. As far as internet ticketing is concerned, in convenience fee, I will start with, we had INR236 to INR248 revenue increase. But in non-convenience fee, where we went from INR123 to INR113. Now non-convenience fee comes from two things. One is the spinoffs, which are attached with your ticketing business, which are moving around the periphery, whether it is marketing or ad revenue or agent business or iPay commission or payment gateway business or e-wallet loyalty program.

There has been a marginal. One thing you will have to appreciate, that like I said earlier also, that our complete focus is on customer centricity. So you must have seen an announcement and unveiling of the beta version of the UI/UX transformed IRCTC website, for which we are trying to launch the full version of it very soon.

So that somewhat impacted because we are, for the time being, removing the marketing and ad revenue from the website. But in a non-invasive way, we will reintroduce it. First of all, is to win the confidence of the customers. The agent business also, we have seen that at times of 8:00 AM, 10:00 AM, and 11:00 AM, we have lots of unauthorized, non-genuine, spurious, you can say, users who are trying to clog the site.

For this, we have built a regimen other than employing Akamai, who does the bot mitigation and CDN delivery, content delivery network, by offloading the static content, and other agencies who try to ensure that these scurries do not come in. We have built a regimen in which the time limit has increased from 15 minutes of non-usage of this website by the agents to now 30 minutes. This has impacted one way.

Third is about RailOne. You have been speaking about RailOne. Now, the platform of RailOne ends on IRCTC and gate only. They have got comprehensive services of unreserved ticketing, reserved ticketing, platform ticketing. Later on, they will get freight also, parcel also. Now, it ends on this. There has been some diversion to RailOne, which I said, for us, the prime most is the customer. If he gets an opportunity through RailOne, IRCTC, RailConnect, or the website, for us, it is one and the same thing because it comes to IRCTC, the convenience fee remains unchanged. But at the same time, it gives us rigor and vigor to focus and improve our website also. Thank you.

Navin: Sir, just a small follow-up on your answer. So I am seeing that compared to our historical margins, we are around the mid-80s. We are around the 80 range, below 80 range? Would reinvestments into the business or the segment be one of the reasons why we are seeing a margin dip?

Management: Could you please explain your question again?

Navin: No. From the historical EBIT margins level for the internet ticketing segment of around 85% or 84%, we are seeing a margin decline over the last two quarters, even the current quarter being 80%. I understand we had some one-offs in the previous quarter, but is my understanding right in the sense that we are investing back into the business and trying to make our app better, website better? Is that why the margins have taken a hit, or is my understanding wrong?

Management: Yes. There is something more to it, which I will share you, that after 2014 and in 2018 and 2019, we tried to infuse something. There are two things we are trying to introduce. One is the NGET Infra Refresh. NGET is Next Generation e-Ticketing, which is the platform for the IRCTC. We are trying to upgrade its hardware by the storage, the servers, and the networking, plus the software. So we will increase. Like you have seen, we have reached around 37,000 tickets per minute. This may increase to more than 1 lakh and all. This has been done with PRF modernization. The figures I am not very aware, but around INR150 crores has been infused into it, number one.

Secondly, this quarter, INR10 crores were booked for maintenance charges for this, and very soon, which will impact the second, third, or fourth quarter of the financial year, will be the disaster recovery. We are trying to go for an active-active disaster recovery, because sometimes if the website is down, then the passengers will have to face, and we are very much behind that 1 minute or 2 minute. This become the golden hour for us. If we will have a disaster recovery, most probably coming up at Secunderabad. Then again, because we will have to invest.

So that investment is setting up across our earnings. So that is impacting and bringing it. Normally, it remains between 80% to 85%, so it is, like you have seen, it is around 80% this time. These are some of the reasons which I would like to share with you. Thank you.

Navin: So one more question before I jump back into the queue sir. So with respect to the catering segment, could you just clarify on our business model for the Vande Bharat and those kind of trains? Is it 100% like onboard catering done by our staff or is there a potential for us to give contracts out for that as well?

Just trying to understand incrementally we are adding many more premium trains like the Vande Bharat. So want to understand if most of the business will be on our P&L or if we will give contracts out. Thank you, sir.

Management: Yes. IRCTC model is largely based on licensing. So in Vande Bharat also we have got empanelled service providers, for which we float a limited tender and then we give it out as far as the catering is concerned. In future the -- you must have seen the shift is from the chair car Vande Bharat is going towards Vande Bharat Sleeper.

So this in one way will help our revenue in ticketing also and catering also the lead will increase, and the capacity will also increase. In Vande Bharat also chair car, there is a trend of augmentation, the number of coaches are increasing. But all the services, catering services right now in 81 Vande Bharats are being done by IRCTC.

Navin: Got it, sir. Thank you, I'll jump back in the queue.

Moderator: Thank you. We have next question from the line of Jinesh Joshi from PL Capital. Please go ahead.

Jinesh Joshi: Thanks for the opportunity. Sir, I have a question on our margins in catering division, which were at about 9%. I think in the opening commentary you mentioned that there were some transit catering projects which led to deterioration in margins. So if you can clarify a bit on this aspect. And I think there was another reason that was highlighted, so I missed that. So also if you can just maybe touch upon that.

And secondly, also from a future perspective given the fact that share of prepaid trains is rising, and if my understanding is correctly we do not get the ITC benefit on the prepaid trains which essentially means that our margins tend to be slightly lower. So how to think of the steady-state trajectory over here?

Management: See IRCTC is a Navratna PSC of Indian Railways. So we have to align with the socio-economic fabric of the country also. So as far as the GST part you said you said rightly. If we take the Vande Bharat GST plus license fee for this quarter, we are earning INR105. But if you take GST 5% for which we cannot claim input tax credit, like the Vande Bharat charges it is INR222. We give to the licensee INR222 for arranging food and all. Out of which GST is 5% which we have to pay, that is around INR11. So we lose there INR18, but as a combined project of license fee from that plus the GST, we earn around INR105.

So the Vande Bharat trains have to be proliferated, this aspect we will address. But at the same time we cannot stop providing service and all. This is a small retrograde step in the GST thing but overall it increases. And rest the remaining part of the question can you please repeat.

Jinesh Joshi: Reason why the margins were lower. You mentioned some transit catering projects were there and also some other reason.

Management: Last year in quarter one financial year 2025-2026, quarter one we did not, you must have heard about proof of concept. So, we introduced the proof of concept in few trains, right now five trains were there. In which -- six trains were there but the issue is that in that proof of concept we increased the amount to be given to the licensees at the cost of IRCTC focusing on the customer and taking it as an experiment.

So in this quarter, the impact of that proof of concept on six trains around about maybe around more than INR4 crores, was impacted, plus there are two more impacts on the catering margins because we have seen the margin has come to 9.29% while it was around 10.42% for the financial year 25-26.

One was the gratuity has increased from INR20 lakhs to INR25 lakhs, and the HR cost of INR10 crores has been booked in this segment because catering takes care of around 54% of the entire revenue. This INR10 crores includes the gratuity impact plus the post retirement benefits to the employees. This thing will not be repeated for the next quarter, because it has already been taken care of in this quarter. So the next quarters can be immune or safe from this aspect.

So this is one, and proof of concept will slowly die down. There are two trains I think they will finish by September and the remaining two trains will finish by November. So that way it will help and the catering margin traditionally have been between 10% to 12%. So we will try to maintain that.

Plus considering the fact that there will be increase in number of passengers, there will be increase in number of trains, the 20 trains will be included, and there is 8% growth in passengers also year-on-year from the railways figure. Thank you.

Jinesh Joshi: Sure sir. And just one follow-up on this part, especially with respect to that INR10 crores of HR cost that you spoke about in the catering division. If I look at our overall company-wide employee expenses, well it is up by about 37% to about INR104 crores in this quarter. And I think in the opening commentary also you mentioned some incremental HR cost of about INR20 crores odd. So if you can maybe just sum up, what was the total incremental hit that has come for all the reasons that you highlighted, and how to think about this cost going ahead on a steady-state basis?

Management: See, like I said that this was a one-time exercise as far as the HR cost was concerned. The HR cost impact has been of around INR20 crores which includes the gratuity increase from INR20 lakhs to INR25 lakhs and some post retirement benefits that we have adjusted for. So that has increased out of this INR20 crores, for this quarter, out of the INR10 crores, because 54% is the revenue for catering, so INR10 crores we have accommodated for catering. That has led a little setback on the margin for on the catering profit.

And for POC, as I said that the impact of INR4 crores will die down because there are four trains in quarter two, and two trains left in quarter three. Quarter four there will be nil trains. So, right now we'll go for temporary or we are thinking of a concept which is very nascent stage to comment upon, is the engagement of branded players to improve catering, the importance of capable, automated, hygienic kitchens to be induced into this entire catering ecosystem.

Jinesh Joshi: Sure sir. One last question from my side. I think our election special revenue in this quarter was at about INR41 crores, if I heard you right. Just wanted to know on this bit that our margins in our election special trains, I mean are they akin to our margins that we earn in the prepaid train or is it higher or lower and how to think about that? And was that also one of the reason why our margins got impacted just in case if they are lower, trying to think from that perspective?

Management: In election special, it all depends on the elections like this time it was West Bengal and Tamil Nadu and Puducherry.

Jignesh Joshi: Understood. Kerala.

Management: Kerala. So basically, in election special, we get revenue from 2 sources. That is the FTR business and the catering business. So the catering business, it varies from 11% to 13%, 14% and FTR at a fixed 5% convenience fee. The revenues -- the ticketing revenue goes to railways and 5% service charges, you can call it service charges by IRCs to facilitate this. So that way, election special, we all depend upon the elections happening in the country, but we come into to the extent of, you can say, around 10% to 12% for the catering component.

Jignesh Joshi: Understood. Thank you so much.

Management: Thank you, thank you.

Moderator: Thank you. We have next question from the line of Balaji Subramaniam from IIFL. Please go ahead.

Balaji Subramaniam: Thanks for taking my question. Most of them have been answered. Just a quick housekeeping question. Can you just share the number of tickets that were booked on your portal and app in this quarter? Thanks.

Management: Good evening. See, as far as the daily average tickets were 14.58 lakhs. Total number of tickets booked in crores for the quarter financial 2027 were INR13.27 crores, with a break-up of INR6.92 crores from AC and 6.35 for non-AC. Our share in railway rose from 88.78% marginally to 88.92%.

Balaji Subramaniam: Thank you and all the best.

Management: Thank you.

Moderator: Thank you. We have next question from the line of Madhuchanda Dey from MC Pro. Please go ahead.

Madhuchanda Dey: Yes. The first one is just a repetition because I am not sure if I heard it correctly. Your convenience fee for the quarter was INR248 crores and non-convenience fee was INR113 crores. Is that correct?

Management: INR113 crores non-convenience fee and INR248 convenience fee.

Madhuchanda Dey: And was this lower non-convenience fee also a reason behind the lower margin in this quarter? Because you explained some IT systems exam etcetera as the reasons. But was this lower non-convenience fee also one of the factors, and is this likely to continue? Or you expect this.

Because one of the goals of the company had been to increase the non-convenience fee. If you could shed light on the same.

Management: Yes. I will now speak only on the non-convenience fee part. As I said, that we also try to align ourselves with the socioeconomic fabric of the country. So in marketing, there was a dip of around INR3 crores, 14.51 to 11.03. Since we have seen that our website is getting transformed, the beta version was launched on 15th July. With a new UX/UI interface, the beta version has been launched, which doesn't have any advertisements, no captcha, no pop-ups.

The agent business, we have restricted them. Now they will try to push back and all. E-wallet loyalty program with four banks, I think HDFC Bank, RBL Bank, State Bank of India, and Bank of Baroda, has grown around INR3 crores. iPay has been hit a bit, but the iPay will spring back. Like I said, the plans are huge in this. And the payment gateway business. So now, these are all the spinoffs.

We are trying to take advantage by utilizing our e-ticketing expertise, like we have done in Char Dham Heli Yatra. Then we have signed an agreement with UTLA, Union Territory of Lakshadweep Administration, with Andaman and with Majuro. So in areas where there is no element or component of railways, we are using our e-ticketing expertise to provide them e-ticketing platforms.

So it is a known fact that the conventional spinoff from the ticketing business, like marketing ad, agents, are losing, but we will spring back and try to compensate this or even get them back to normal. But there has been also an expense of around INR10 crores on the maintenance of the website and investment in that in this quarter?

Madhuchanda Dey: Okay. So I can say that it is a combination of investments and some one-off factors in the non-convenience fee side that has led to the lower EBIT margin of around 80%, right?

Management: Correct. It has gone to 80.33 from 84.12.

Madhuchanda Dey: Right. So my second question is on the margin in the Rail Neer business. That has also fallen. So any particular one-off or what is the reason and what is the sustainable margin in that business?

Management: See, basically, in Rail Neer, like I have already explained, you must have gone through the number of plants we have got in Rail Neer and the production capacity, 17.77 lakhs with closing of one plant, and we are supplying 15.4. This year, the margin has gone, if you compare quarter-on-quarter, from 14% to 10%, is basically due to around 30% decrease in the resin component. The resin helps us in making preform, cap, shrink roll.

Due to the increase of petroleum product due to West Asia crisis, the material cost increased from INR55 crores to INR61 crores. There was a dip of INR6 crores. You have seen that the margin has gone from 15 to 11. Some profit, like 106 to 109 plus some administrative cost, combining everything, the profit decreased only by delta of INR4 crores. Basically, there was the West Asia crisis, which caused this increase in the expenses and reduction in the margins. Thank you.

Moderator: Thank you. We have next question from the line of Krunal from PhillipCapital India. Please go ahead.

Krunal: Hello?

Management: Yes, good afternoon.

Krunal: What portion of the contribution is through OTA partners? Hello, am I audible?

Management: Yes. Good afternoon, sir. See, normally in tourism, we have got around INR21 crores from a total of INR168 crores from various things including air ticketing, online hotel booking, online bus booking, plus events. You can say around 12%-13%, but this also includes various holiday customized educational packages. Purely if you see from online hotels and ticketing, it will be around 5%-7%.

Krunal: Okay, okay. And specifically about internet ticketing?

Management: In internet ticketing, we have, of the total revenue, internet ticketing we have around INR248 crores coming from 1370.

Rajneesh Narain: INR248 divided by 1370. 18%.

Management: Internet ticketing, if we include convenience and non-convenience, it is 26%, and purely internet ticketing, excluding conveniences is around 18%.

Krunal: Thank you. That is all.

Management: Thank you.

Moderator: Thank you. We have next question from the line of Kartik Gada from Multiple Wealth. Please go ahead.

Kartik Gada: Yes. Thank you for the opportunity. So, just back on the convenience of INR113 crores odd. So, what is the expectation? What sort of run rate can we expect going ahead, say, in the next couple of years on a quarterly basis for the non-convenience fee part? It used to be around INR130 crores, INR140-odd crores.

Management: Yes. See, like I said, in the non-convenience fee, there are certain things where we have to align with the social commitment fabric, and when we have decided to improve the customer experience to make it seamless and all. But at the same time, we are also thinking of a unified portal. Tourism and internet ticketing, where the interface comes, where they meet at crossroads in a unified portal that is where our customers will be either engaged, diverted to use our various tourism services.

Because tourism is going to grow leaps and bounds. It has grown from INR745 crores to INR890 crores, and next year it may cross INR1,000 plus crores. So for that unified portal, which will focus on five main things: there is a UX/UI experience, the scalability, the technology, the financial, and the marketing, Because we need customer retention, engagement, and persuasiveness.

So in that, our tourism will interface with the IT portion, and that will be one segment which will be a part of non-fare revenue, which will overcome all this slight dilution on other parts.

Kartik Gada: No, I understand that you are trying to make up for the lost revenue through higher revenue in tourism segment. What I want to understand is, would this, say, INR110 crores, INR115 crores be the usual run rate from here on for non-convenience fee segment?

Management: No, it will not be like that. Like I said, that iPay is also in the non-convenience fee as it is a payments limited, when it associates with that. So that we have got big growth plans. Then the e-wallet loyalty, which is also increasing at the rate of more than 200%, they have big growth plans. And agent business, we are tweaking, modifying our association with them. So we will try to come back to INR150 crores in this segment also.

Kartik Gada: The second question is again, it's a book-keeping question. So what would be the share of UPI tickets?

Management: The share of UPI ticket right now is 51.22% versus 48.72% in quarter one of June 25 ending.

Kartik Gada: Okay. All right. That is it from my end. Thank you so much.

Management: Thank you.

Moderator: Thank you. We have next question from the line of Mr. Naveen from ithought PMS. Please go ahead.

Naveen: Hi, sir. Thanks a lot, sir.

Moderator: Hello.

Naveen: For taking my follow-up question. Am I audible? Hello.

Moderator: You are audible.

Naveen: Yes. Thanks a lot, sir. Just wanted some commentary on train additions. Just comment maybe on your visibility for upcoming train additions, especially in more lucrative areas in V catering and the higher convenience fee bracket trains, like the AC trains. And then how fast we can expect business ramp-up in these trains, any visibility that you would have or expectations that you would have would be great.

Management: See, as far as this introduction of new trains, it is a decision by the ministry. But whenever there is a passenger growth, the trains, normally there may be around 20 Vande Bharat sleeper trains introduced in this financial year or the period of next one year. So, the license fee of this can be calibrated to around INR6 crores per train to INR120 crores. This is one factor where the number of trains will increase, the licensing, catering, the revenue, the top line will increase, number one.

Number two, there is an important aspect of this passenger growth also. There is a passenger growth of 8% also helps in increasing the catering charges. We have also got a press conference, media interaction at 5:00 P.M. So, if the organizers can help us in winding up fast. Thank you.

Naveen: Yes. Thanks a lot, sir.

Moderator: Thank you. We have last question from the line of Rattan Joneja from CoValue. Please go ahead.

Rattan Joneja: Thank you. So, I have only one question on internet ticketing. So, I have been reviewing for the last eight quarters, the revenue has just not grown. While the number of trains have grown, UPI discounts have grown, passenger growth is there. In fact, if I book a ticket for four people, because of the PNR, the charges are too low. The convenience fee for the last seven years has not increased in spite of inflation being there. So, what are we thinking about this? How should we think?

Management: Good afternoon. See, like you said that an architect's dream is a civil designer's nightmare, okay. So, we can aspire a lot of things, but we have to gel with this. Our convenience fee has always grown. In this quarter also it has grown. With the number of passenger, it grows. But the UPI, like we said, that we are charging against 15 and 20, 10 and 20. This is one aspect where we will have to think and come about. We have gone for UPI, CC, and CL, where there is a credit card and a credit line in which the convenience fee is not 10 and 20, it is 15 and 30. In this one way, we are trying to circumvent that aspect. UPI is something which has grown. It has grown, that is why it is digging into your profits.

This is one area we have to think about, and the convenience fee has always grown at a rate of around 5% to 7%. This year also it is around 4.89% quarter-on-quarter.

Rattan Joneja: But sir?

Management: Tell me.

Rattan Joneja: Sir, but that is hardly the inflation rate. The passenger growth has been higher. The inflation is there, but there is no rise in internet ticketing revenue.

Management: See, there is a margin of around 80% to 85% in internet ticketing and all. The convenience fee, sometimes it depends on the policy decision. We cannot force a way in increasing the convenience fee, but we can put our point across various quarters and all, increase this. That is an area of concern for us and all, that to enhance the convenience fee-based revenue. We'll look into it.

Rattan Joneja: Thank you so much, sir.

Management: Thank you.

Moderator: Thank you. That was the last question. I now hand conference over to IRCTC management for closing comments.

Management: Now, I would request Manoj Sharma ji give a vote of thanks, our Director Catering Services.

Manoj Kumar Sharma: Greetings to everyone. I am Manoj Kumar Sharma, Director, Catering Services, IRCTC. I would like to thank all the investors and investor representatives for joining this earnings call for the first quarter of the 2026-2027 financial year. We are pleased to report a strong performance this quarter; our operating revenue grew by 18.10% year-on-year to INR137 crore, and our PAT stood at INR333 crore.

I am deeply grateful to our investors for their continued trust and support. Furthermore, IRCTC extends its sincere gratitude to you all for your continuous cooperation and support, alongside the hard work and dedication of the entire IRCTC team. We assure you that we will deliver even better performance and continue to move forward; this is our commitment. Thank you very much.

Management: Thank you.

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

Management: Thank you.