

IRCTC eyes better earnings as more trains back on track

Ticket bookings go past pre-Covid levels; cooked food service to resume

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The Indian Railway Catering and Tourism Corporation (IRCTC) is looking to increase its earnings from ticketing as the pandemic restriction on the number of trains has eased. More tickets are likely to be booked on its platform since over-the-counter sale of tickets remained restricted.

IRCTC officials said booking of tickets through its platform was already beyond pre-pandemic levels. "There were close to 1.4 million tickets being booked daily during the peak season before Chhath Puja and Diwali, which sees more passengers. This has come down to 1.2 million tickets a day now, but we are averaging at around 1.3 million ticket bookings a day in 2021-22," an official told Business Standard. IRCTC was booking 700,000 tickets a day during the pre-pandemic period.

Operational revenue from catering, however, fell from ₹1,033 crore in 2019-20 to ₹223 crore in 2020-21. IRCTC offered cooked meals on around 450 trains before the Covid-19 pandemic struck. To reverse this situation, IRCTC is eyeing the possibility of restarting cooked meal services on the Indian Railways network.

"With complaints about packed food growing, IRCTC is evaluating the options to restart cooked meals. This will allow IRCTC to rake in higher margins, of up to 30 per cent per meal, from around 7 per cent that is being collected on pre-packed food," another IRCTC official said.

The Indian Railways had directed IRCTC to stop serving cooked meals in a bid to contain the spread of the Covid-19 pandemic. This directive is still in force despite other services such as midday meal and restaurants now operating at full swing. The service of cooked meals on flights was restored earlier this week. On Friday, the Railway Ministry directed IRCTC to prepare for resumption of cooked meals service.

"There is a case pending in the Madras High Court related to catering. The Ministry will file an affidavit on Monday saying that it is in-principal ready to resume cooked food services on the trains. This will be a step forward in restarting meals on the Indian Railways," a senior Rail Ministry official told Business Standard on Friday.

"Restarting cooked meals on trains will be beneficial for the Centre, too, as 15 per



INTERNET TICKETING IS IRCTC'S PRIMARY DRIVER OF EARNINGS

* Catering * Rail Neer * Internet ticketing * Tourism

	Catering	Rail Neer	Internet ticketing	Tourism	Total
Q2FY21	56.72	29.26	149.97	7.41	243.40
Q2FY22	71.40	41.17	265.31	27.06	404.94

Source: BSE filing

cent of all revenue earned by IRCTC will be shared with the Indian Railways," the IRCTC official added. Earnings from ticket bookings are the primary source of earnings for IRCTC during the Covid-19 pandemic. IRCTC's convenience fee (also called service charge) on each ticket varies from ₹15 (non-AC) to ₹30 (AC including first class) per booking.

Ticketing revenue touched ₹220 crore in the second quarter of the current financial year, up from ₹61 crore in the year-ago quarter. According to IRCTC's annual report, it earned ₹620 crore as operational revenue from ticket bookings in 2019-20, compared to just ₹448.56 crore in 2020-21 due to the Covid-19 pandemic.

IRCTC also intends to ramp up sales of Rail Neer, its packaged drinking water offering for railway commuters. The company earned a segment revenue of ₹41.17 crore in the quarter ended September, up

from ₹29.26 crore in the same months of the previous financial year. But IRCTC's losses from the tourism business have widened during the quarter under review.

"In the tourism, our losses have widened as compared to the previous quarter. There is a reason because earning of Tejas (trains that charge commuters full fare) are being added into it. And there is some revision in the Tejas policy for which we have requested the Railway Board to reconsider," IRCTC's Managing Director Rajni Hasija said at an analyst call after the quarterly results.

"The haulage pattern of Tejas has been changed and for which we have already requested the Railway Board to reconsider so that these losses can be curtailed, and we can at least break even. In spite of the festive bookings, we are not able to make good of the losses done previously," she said, adding: "Otherwise hard core tourism, it is in profit."

IRCTC PLANS TO RAMP UP SALES OF RAIL NEER, ITS PACKAGED DRINKING WATER OFFERING FOR COMMUTERS