

EDUCATIONAL EQUIT RESEARCH REPORT : ELECTION SPECIAL
INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.
(BSE : IRCTC , NSE : 542830)

DATE 9/4/24

WE AT AS RESEARCH TECHNIC ,INITIATE OUR COVERAGE ON INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.Indian Railway Catering and Tourism Corporation Ltd. (IRCTC) is a “Mini Ratna (Category-I)” Central Public Sector Enterprise under Ministry of Railways, Government of India. IRCTC was incorporated on 27th September, 1999 as an extended arm of the Indian Railways to upgrade, professionalize and manage the catering and hospitality services at stations, on trains and other locations and to promote domestic and international tourism through development of budget hotels, special tour packages, information & commercial publicity and global reservation systems.

ABOUT THE BUSINESS :

Indian Railway Catering and Tourism Corporation (IRCTC) is an Indian public sector undertaking that provides ticketing, catering, and tourism services for the state-owned Indian Railways. It was established in 1999 by the Government of India and operated under the administrative control of the Ministry of Railways.

PROS

- Company has reduced debt.
- Company is almost debt free.
- Company has delivered good profit growth of 34.9% CAGR over last 5 years
- Company has a good return on equity (ROE) track record: 3 Years ROE 34.6%
- Company has been maintaining a healthy dividend payout of 43.0%
- Debtor days have improved from 158 to 118 days.

CONS :

- Stock is trading at 28.6 times its book value
- Promoter holding has decreased over last 3 years: -5.00%



FINANCIAL SNAP SHOT :

MARKET CAP	₹ 81,160 Cr.
STOCK P/E	71.4
ROE	45.4 %
CURRENT PRICE	₹ 1,014
BOOK VALUE	₹ 35.6
ROCE	59.2 %
HIGH	₹ 1,050
LOW	565
DIVIDEND YIELD	0.54 %
FACE VALUE	₹ 2.00

SHARE HOLDING PATTERN:

PROMOTERS	62.40%
FIIS	7.34%
DIIS	11.98%
PUBLIC	18.28%
NO.OF	19,28,851

SHAREHOLDERS

RESEARCH ANALYST

P.SUNANDINI

@ AS RESEARCH TECHNIC

KEY POINTS :

- UNDER THE PRIME MINISTER'S 9 YEAR TENURE, OVER 35,000 KILOMETERS OF NEW TRACKS HAVE BEEN LAID,IMPROVING CONNECTIVITY TO VARIOUS PARTS OF THE COUNTRY.
- IRCTC'S FINANCIAL PERFORMANCE HAS BEEN COMMENDABLE UNDER THE RULING PARTY WITH ROBUST REVENUE GROWTH AND ENHANCED PROFITABILITY.
- THE COMPANY HAS EFFICIENTLY MANAGED COSTS, OPTIMISED OPERATIONAL EFFICIENCIES AND DIVERSIFIED THE REVENUE STREAMS TO MITIGATE RISKS AND DRIVE SUSTAINABLE GROWTH.
- OVER THE YEARS, IRCTC HAS UNDERGONE SIGNIFICANT TRANSFORMATION TO MEET THE EVOLVING NEEDS OF THE PASSENGERS.
- THE ONLINE TICKETING PLATFORM HAS SIMPLIFIED THE BOOKING PROCESS, MAKING IT CONVINIENT AND ACCESSIBLE TO MILLIONS ACROSS THE COUNTRY
- IT HAS EXPANDED ITS e-CATERING SERVICES OFFERING A DIVERSE RANGE OF DELECTABLE MEALS TO SUIT EVERY PALATE.
- THROUGH THE RAIL NEER SEGMENT , IRCTC IS PROVIDING AFFORDABLE PACKAGED DRINKING WATER BOTTLES ACROSS RAILWAY STATIONS IN INDIA ENSURING CLEANLINESS AND PURITY.
- THE COMPANY HAS ALSO TIED UP WITH B2C AGENTS SUCH AS MMP,IXIGO,Paytm,GOIBIBO, RAILOFY AND SO ON, TO ENHANCE MOBILE BOOKING.
- IRCTC HAS BEEN POSITIONED AS A SIGNIFICANT PARTICIPANT IN MEETING THE TRAVEL REQUIREMENTS OF MILLIONS OF PEOPLE.
- WITH THE RISING PROMINENCE IN THE ONLINE TICKETING INDUSTRY, THE COMPANY OPERATES AS ONE OF THE MOST TRANSACTED WEBSITES IN THE ASIA PACIFIC AREA.
- AS WE MOVE FORWARD, THE BUSINESS OUTLOOK REMAINS FOCUSED ON SUSTAINABLE GROWTH,CUSTOMER - CENTRICITY, AND INNOVATION.
- THE COMPANY IS CONTINUING TO INVEST IN PEOPLE, FOSTER A CULTURE OF EXCELLENCE, AND MAINTAIN THEIR POSITION AS A TRUSTED AND PREFERRED TRAVEL AND HOSPITALITY PROVIDER.
- IRCTC EVOLVED INTO A ONE-STOP SOLUTION FOR PASSENGERS ACROSS THE COUNTRY.
- IRCTC IS THE ONLY ENTITY AUTHORISED BY THE INDIAN GOVERNMENT TO PROVIDE ONLINE RAILWAY TICKETS, CATERING SERVICES TO RAILWAYS AND PACKAGED DRINKING WATER AT RAILWAY STATIONS AND TRAINS IN INDIA.

- INCORPORATED IN 1999,IT IS A 'MINI RATNA (CATEGORY-1)' CENTRAL PUBLIC SECTOR ENTERPRISE UNDER THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA.
- IN LINE WITH THE GOVERNMENT OF INDIA'S INITIATIVE FOR PROMOTION OF MSME AND START-UPS, IRCTC HAS PROVIDED VARIOUS EXEMPTIONS FOR THE PROMOTION OF MSME AND START-UP FIRMS.
- SOME OF THE PACKAGES PROVIDED ARE :
RAIL TOUR PACKAGES, HOLIDAY PACKAGES, PACKAGES WITH CHARTER COACH AND TRAIN, CUSTOMIZED TOUR PACKAGES, LEAVE TRAVEL CONCESSION (LTCs),DOMESTIC AIR PACKAGES AND EDUCATIONAL TOURS.

- THE SHARE PRICE CAN GO UPTO 1084 IF IT BREAKS 1061 ON THE UPPER SIDE
- THE SHARE PRICE CAN GO UPTO 899 IF IT BREAKS 942 ON THE LOWER SIDE.

- HENCE , THE PRIME MINISTER'S GOVERNMENT CAN EXPAND THE RAILWAY NETWORK BY LAYING NEW RAIL TRACKS IN VARIOUS STATES OF THE COUNTRY.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
08-04-2024	1031	971.33	984.67	999.33	1012.7	1027.3	1040.7	1055.3	970.15
05-04-2024	1031	977.12	985.48	994.22	1002.6	1011.3	1019.7	1028.4	929.7
04-04-2024	929.7	958.85	976.45	987.3	1004.9	1015.8	1033.4	1044.2	929.95
03-04-2024	929.7	946	969.05	991.85	1014.9	1037.7	1060.8	1083.6	928.75
02-04-2024	929.7	926.3	945.2	974.5	993.4	1022.7	1041.6	1070.9	928.7
01-04-2024	928.7	899.5	914.75	942.45	957.7	985.4	1000.7	1028.4	934.75

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK,PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKET INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.