

Share Analysis-1



Our Main Philosophy for Analysis.

1. **Business Models and its growth prospective.**
2. **Management and its vision for company.**
3. **Sound Balance sheets**



DISCLAIMER



- This information is mainly for educational purposes only and it is not for professional guidance or not for any recommendation.
- I am not a SEBI registered advisor.
- The views expressed in this videos are personal.
- We do not assume any responsibility for the accuracy, reliability and completeness of such information given on presentation. The source of data are company website and AR.
- Audience are advised to seek independent professional advice before taking the investment decisions.



Share Analysis-1



Brief: **Indian Railway Catering and Tourism Corporation (IRCTC)** is under the ownership of Indian Railways , Ministry of Railways , Government of India that provides services like ticketing, catering, and tourism services for the Indian Railways.

Founder: Ministry of Railways. September 27, 1999

Revenue: 23.54 billion INR

Headquarters: New Delhi, India

Total assets: 32.5 billion INR

Net income: 5.286 billion INR

Operating income: 7.526 billion INR

Members – 20 Million Registered user in 2019

Listed on the NSE – Oct-2019 , Gov. holding -87%

Gov. holding reduced up to 67% - Dec-2020

Mini Ratna Status- 2008.



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Business Overviews



There are 4-services provided by IRCTC.

1. Internet Ticketing
2. Catering
3. Packaged Drinking Water
4. Travel & Tourism

Scope	Internet Ticket	Catering	Package Drinking water	Travel & Tourism
Business Descriptions	<ul style="list-style-type: none"> - Ticket booking through website and Mobile App. - 301 Million ticket in FY2020. - Added E-Wallet . - Brand advertisement. 	<ul style="list-style-type: none"> - Mobile catering services on 417 train through pantry or base kitchen. - Static catering services ,Jan Ahar, food court. - E-catering services through partners. 	Operational plant-14 and produce 14 lakh bottle/day	Domestic & international tickets . <ul style="list-style-type: none"> - Tour Packages. - Maharaja Trains.
Revenue Share%	27%	46%	10%	17%



Business Overviews



Before Journey:

BOOKING

Railway Ticket	Airline Ticket	Bus Ticket	Hotel	Tour & Package
Booking 8.3 lakh tickets/day.	Domestic & International booking 57000 per day.	Tie Up with many bus ticketing operators in India and its around more than 50000 plus different tour travels.	Provides Budget hotels/Rail Yatri Niwas and Partnered with aggregators such as Oga, Fab, HRANI. Scaling up this division significantly in future	Mass theme-based tourism packages including State Special trains, State Teertha, Tour Packages (75K packages sold in FY 19)
Service charges of RS-15 & 30 for Non-AC and AC tickets plus GST.	Nominal charges RS 50 +GST. Added Complementary Insurance			

Business Overviews



During Journey:

Catering Services (Monopoly)

Prepaid catering	Pantry catering in Train	Static Catering	E-Catering
Prepaid catering in 24 Rajdhanis, 2 Tejas, 1 Gatiman, 2 Vande Bharat, 23 Shatabdis and 18 Durontos	Provides optional in-pantry catering in 347 Mail/Express trains, service per day.	Tie Up with many bus ticketing operators in India and its around more than 50000 plus different tour travels.	Tie up with food aggregators and cloud kitchen service providers like Dominos (~22K Orders/day in FY20). Addition of Swiggy and Zomato can increase volume exponentially
11% Annual license fee charged by IRCTC from licensees (40% of fee shared with Railways)	11% Annual license fee charged by IRCTC from licensees (40% of fee shared with Railways, this will come down to 15% for new design pantry cars)	Platform catering at 293 food plaza, 169 Refreshment rooms, 56 Jan Ahaars and 24 Cell Kitchens at Annual license fee of ~11% on contracted estimated revenue	IRCTC charges commission of 12% of order value from 3rd party vendors



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During Journey:

Business Overviews

Package Drinking Water (Monopoly)

Rail Neer

Capacity of 14 lakh bottles/day (but currently able to tap only 40-50% of market). They want to increase further capacities.

IRCTC sells water at Rs15/liters which is below the competition price of Rs 20/liters thereby making it non railway market ready
– 30-40k Cr. market .
- Profit – 1.3RS /Bottle



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Allied Revenue Potential



Payment Gateway

Travel Insurance

Co-Branding

E-Wallet

Advertisement

Data Based
/Platform



Privatization Future Potential



Private Train

Tejas Train

New Bids



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Growth Drivers



Structural

Pricing Power

Cost Optimization

Collaboration

Others



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Risk Factor



- 1. Government interference**
- 2. Due to privatization other entry of other players.**
- 3. Uncertainty of future growth due to Gov. Interferences.**
- 4. High Valuations**



Management



Mahendra Pratap Mall, Chairman and Managing Director

- ◆ Chairman and Managing Director since Sep'17; Previously served as Director – Finance and Group General Manager - Finance
- ◆ Officer of Indian Railway Accounts Service and has over 30 years of experience in with Indian Railways and Ministry of Urban Development
- ◆ Awarded "Most Influential CFOs of India" by Chartered Institute of Management Accounts in Jul-15

Rajni Hasija, Director - Catering Services, Tourism & Marketing

- ◆ Director - Tourism & Marketing since May-18, and also holds additional charge of Director - Catering Services since Jul-19
- ◆ Officer of the Indian Railway Traffic Service and had over 29 years of experience with Indian Railways in various capacities
- ◆ Holds Bachelor's and Master's degree in Science, Bachelor's degree in Law and Master's degree in Philosophy; Has also completed Executive post graduate diploma in management from Delhi School of Professional Studies and Research.

Ajit Kumar, Chief Financial Officer and Director – Finance

- ◆ With the company since May-20; was previously working as Financial Adviser and Chief Accounting Officer at Indian Railway Organization for Alternative Fuels
- ◆ Officer of Indian Railway Accounts Service and has vast experience in different organizations of Railways and outside bodies
- ◆ Strong legal background – instrumental in documentation of tenders and contracts

Suman Kalra, Company Secretary

- ◆ Qualified Company Secretary; Associated with IRCTC since Nov-13 and was previously working with Rail Vikas Nigam Limited
- ◆ Bachelor's degrees in Commerce and Law from University of Delhi and has vast experience in handling secretarial matters



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Financial Analysis



	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	TTM
Sales +	1,059	1,367	1,520	1,466	1,870	2,275	783	895
Expenses +	907	1,176	1,206	1,192	1,487	1,560	593	549
Operating Profit	152	190	314	274	383	716	190	346
OPM %	14%	14%	21%	19%	20%	31%	24%	39%
Other Income	82	139	67	99	126	77	125	114
Interest	-0	0	3	3	2	7	8	10
Depreciation	20	21	22	24	29	40	46	49
Profit before tax	214	309	355	346	479	745	261	401
Tax %	39%	39%	35%	36%	36%	29%	27%	
Net Profit	131	189	229	221	309	529	190	297
EPS in Rs			57.27	55.16	19.28	33.04	11.87	18.57
Dividend Payout %	20%	40%	49%	21%	98%	38%	42%	



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Segment wise financial performance



Operating revenue (INR mn)	FY18	FY19	FY20	H1FY20	H1FY21	CAGR (FY18-20)
Internet Ticketing	2,043	2,313	6,198	1,993	935	74%
Catering	7,292	10,244	10,441	5,387	1,071	20%
Packaged Drinking Water	1,669	1,735	2,221	1,124	125	15%
Travel and Tourism	1,894	2,463	2,949	984	68	25%
State Teertha	2,106	1,946	946	239	-	(33%)
Total	15,004	18,701	22,755	9,727	2,199	23%

As % of overall revenue	FY18	FY19	FY20	H1FY20	H1FY21
Internet Ticketing	14%	12%	27%	20%	43%
Catering	49%	55%	46%	55%	49%
Packaged Drinking Water	11%	9%	10%	12%	6%
Travel and Tourism	13%	13%	13%	10%	3%
State Teertha	14%	10%	4%	2%	-
Total	100%	100%	100%	100%	100%



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