



CAPSTOCKS & SECURITIES (INDIA) PVT. LTD.

IRCTC IPO

Issue Date: Sep 30 – Oct 03 Price Range: Rs 315- Rs 320 (Retail Discount Rs 10) Market Lot: 40 Face Value: 10	Sector: Railways Location: New Delhi Inc Yr: 1999 Issue Size: Rs 645 Crore
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Incorporated in 1999, state-owned Indian Railway Catering and Tourism Corporation Limited (IRCTC) is a wholly-owned subsidiary of Indian Railways. IRCTC handles tourism, catering, online ticket booking services and provides packaged drinking water in trains and at railway stations in the country. It was conferred as a Mini-Ratna or Category-I Public Sector Enterprise by the Indian Government in 2008.

The company website (www.irctc.co.in) is one of the **most transacted websites** in the Asia-Pacific region. As on 31st Aug 2019, around 1.40 million travelled on Indian Railways and more than 0.84 million passengers booked ticket online through the IRCTC website and mobile app on a daily basis. In the last three months ended on 30th June, nearly 15 to 18 million transactions were placed per month through the website.

IRCTC launched **i-Pay payment gateway** to manage domestic debit/credit transactions in October 2018. The company is working on technical capabilities and operational utility of the gateway to use it in additional market segments.

IRCTC also provides non-railway services including budget hotels, e-catering and executive lounges to create a one-stop solution for customers. Currently, the company operates majorly in four segments which are:

1. Travel and Tourism

IRCTC is specialised in rail tourism. It offers travel and tourism services across diversified segments such as air, land, rail, & cruise tour packages, hotel bookings and air ticket bookings.

2. Packaged Drinking Water

It is an authorized manufacturer and distributor of packaged drinking water on trains and at railway stations. The company manufactures packaged drinking water under brand name **Rail Neer**.

3. Catering Services

The company provides food catering services including on-board catering (through mobile) on trains and static catering services at stations.

4. Internet Ticketing

IRCTC has a mobile app (**Rail Connect**) and a dedicated website to offer online railway ticket booking facility.

Competitive Strengths

1. An authorized service provider by Indian Railways
2. Railway and non-railway tourism and hospitality services
3. Exclusively authorized by Indian Railways to provide packaged drinking water
4. A strong operating system across different segments.

Company Promoters:

The President of India acting through the Ministry of Railways is the promoter of the company.

The objects of the Offer are:

1. To carry out the disinvestment of Equity Shares by the Selling Shareholder constituting Company's paid up Equity Share capital; and
2. To achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Our Rating: 20 (Good)

Rating Procedure

	Criteria for giving points	Points	Out Off
Business Risk	Lesser risk higher points	3	5
Financial Risk	Lesser risk higher points	3	5
Market Risk	Lesser risk higher points	3	5
Objective of IPO	Growth & expansion gets more points	4	5
Price	Fair price will get more points	7	10
Total		20	30

A	21 & Above 21	Best to apply	D	11 to 14	Poor
B	18 to 20	Good	E	10 & Below 10	Very Poor
C	15 to 17	Average			

Note: The issue is reasonably priced and has healthy dividend payout. Investors can subscribe the issue of IRCTC Limited.

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