



**Indian Railway Catering and  
Tourism Corporation Limited**  
A Government of India Enterprise



**CSA  
ADVISOR**

PROTECTING | INVESTING | FINANCING | ADVISING

# Research Report

## IRCTC Limited



Prepared By-

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# About

Incorporated in 1999, IRCTC is a Mini Ratna (Category 1, Central Public Sector Enterprises ) and the only company authorized by the Indian government to provide online railway tickets, catering services, and packaged drinking water at railway stations and trains in India. 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.

## Key Services

- Catering
- Rail Neer packaged drinking water
- Internet ticketing
- Travel and tourism

## Synopsis of Financials

- Q1 FY '25 reported an all-time high profit of ₹308 crores.
- Profit growth of 8.2% quarter-on-quarter (Q-o-Q) and 32.5% year-on-year (Y-o-Y).
- EBITDA increased to ₹375 crores, reflecting a 9.32% Y-o-Y growth and approximately 3.38% Q-o-Q growth.
- EBITDA margin improved to 33.47% from 31.41% Q-o-Q, indicating operational efficiency and effective cost management.

## Stock data (as 10th October 2024)

Nifty Price	: 24,766.25
52 week High (in Rs.)	: 1,148
52 week Low (in Rs.)	: 636
Market Cap. (in Crore)	: 68,408
NSE Code	: <u>IRCTC</u>

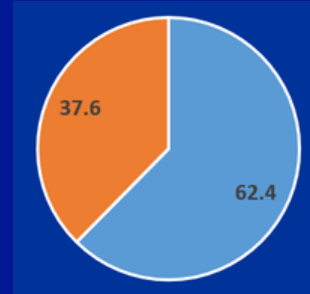
### Stock data



-NIFTY50

-IRCTC Limited

## Shareholding Pattern (March 2024)



-PUBLIC GROUP

-PROMOTER GROUP

## Financial Summary

Particulars	March 2024	March 2023	March 2022
Sales	4,270	3,541	1,879
Sales Growth %	20.58%	88.52%	141.88%
Expenses	2,804	2,265	1,005
Operating Profit	1,466	1,276	874
OPM %	34%	36%	47%
Net Profit	1,111	1,006	660
EPS in Rs	13.89	12.57	8.24

# Quarterly Results



Particular	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	918	965	1,002	995	1,118	1,155	1,120
Expenses	592	640	659	629	724	792	745
Operating Profit	326	325	343	367	394	363	375
OPM %	35%	34%	34%	37%	35%	31%	33%
Other Income	32	65	-13	47	31	41	54
Interest	5	4	4	4	5	5	3
Depreciation	10	11	14	14	14	16	14
Profit before tax	343	375	312	395	406	382	412
Tax %	25%	26%	26%	25%	26%	26%	25%
Net Profit	256	279	232	295	300	284	308

Source: Screener

## Key Ratios

Particulars	FY24	FY23	% change	Remarks
Debtors' turnover (number of days)	107.67	88.38	21.83	
Inventory turnover (number of days)	5.05	4.46	13.23	
Interest coverage ratio	37.48	38.54	-2.75	
Current ratio	1.95	1.82	7.14	
Debt to equity ratio	0.02	0.03	-33.33	Debt Equity Ratio decreased due to increase in shareholders' equity and reduction in debt.
EBITDA margin (%)	36.77	38.14	-3.59	
Net profit margin (%)	26.02	28.4	-8.38	
Return on net worth	0.39	0.46	-15.22	

Source: Annual Report

# Yearly Results

Particulars	March 2024	March 2023	March 2022
Equity Capital	160	160	160
Reserves	3,070	2,318	1,710
Borrowings	60	84	105
Other Liabilities	2,801	2,526	1,909
Total Liabilities	6,091	5,089	3,884
Fixed Assets	343	351	335
CWIP	443	34	26
Investments	0	0	0
Other Assets	5,306	4,704	3,522
Total Assets	6,091	5,089	3,884

# Synopsis Quater Results

## Con-Call Aug FY'24: Key Highlights

### Segment Performance:

#### 1. Catering Segment:\*\*

- Revenue rose to ₹559 crores, a 5.3% Q-o-Q and 17.1% Y-o-Y increase.
- Profit increased by 68% Q-o-Q.
- Margins moderated to 13.94% from 14.61% Y-o-Y.
- Premium train services, including Vande Bharat, expected to enhance revenue and margins.

#### 2. Internet Ticketing Segment:\*\*

- Revenue of ₹329 crores, a 13.4% Y-o-Y growth but a 3.9% Q-o-Q decline due to seasonal factors.
- Convenience fee revenue at ₹224 crores, a significant increase from ₹198 crores Y-o-Y.
- Non-convenience fee revenue increased to ₹105 crores from ₹92 crores Y-o-Y, but decreased from ₹118 crores Q-o-Q due to a one-time exceptional earning in the previous quarter.

#### 3. Rail Neer Segment:\*\*

- Revenue reported at ₹107 crores, with a 34.4% Q-o-Q and 16.5% Y-o-Y growth.
- Margin remained stable at 12.65%, with absolute margin increasing by 27.4% Q-o-Q and 11.9% Y-o-Y.
- Capacity utilization improved from 23% to 86% due to increased demand.

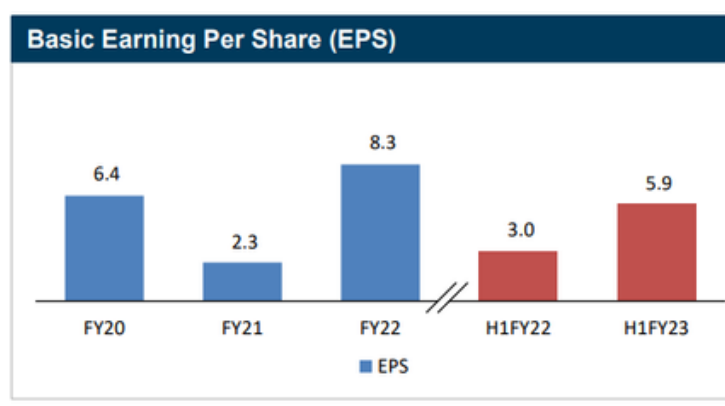
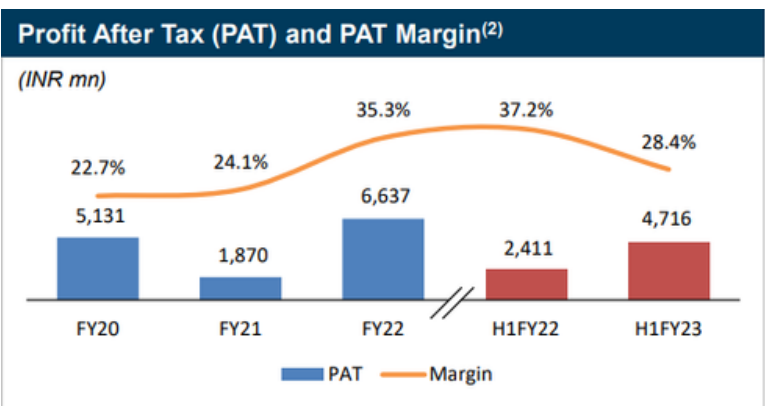
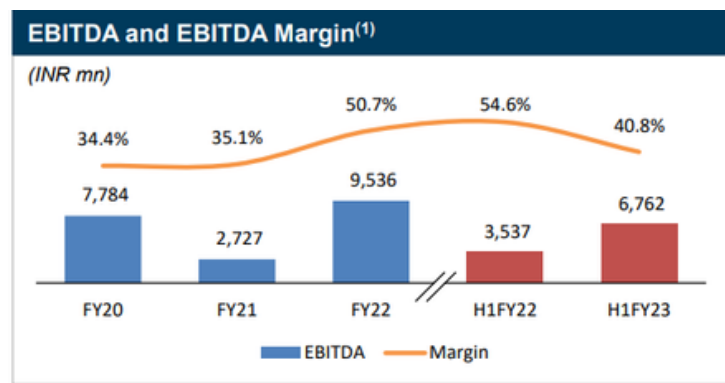
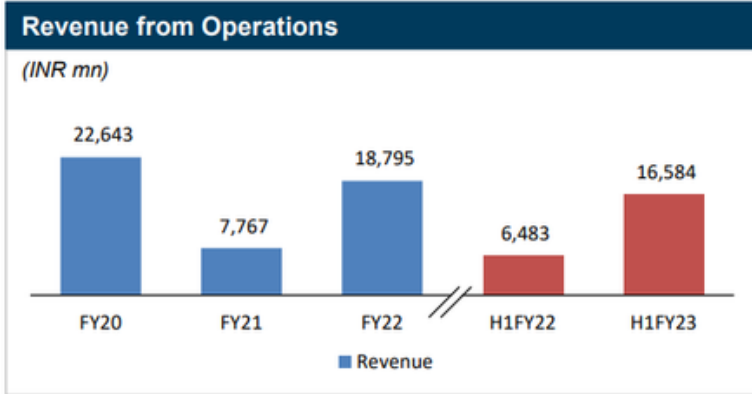
#### 4. Tourism Segment:\*\*

- Revenue decreased by 38.1% Q-o-Q and 12.4% Y-o-Y to ₹124.8 crores.
- Performance affected by non-operational State Teertha trains and Bharat Gaurav trains during Q1 due to parliamentary elections.

### Strategic Developments:

- Upgraded from Schedule B to Schedule A company by the Government of India, a step towards achieving Navratna status.
- Continuous investment in capacity expansion, including a new Rail Neer plant in Vijayawada expected to be commissioned in October 2024.
- Increased focus on e-catering, with a 35% increase in average meals booked and 40.9% revenue growth in Q1 FY '25 compared to Q1 FY '24.

# Revenue Highlights



# Final Outlook

**IRCTC: BUY | LTP: 855**

Indian railway heavyweight stock, IRCTC is set to deliver a massive dividend of 200% to its investors. For FY24 overall, IRCTC will pay up to 325% or Rs 6.5 per share, which will be the highest ever since listing. With the highest ROE of 38.85%, IRCTC stock is an attractive bet for fetching strong gains.

Highest ever Revenue from operations of H 4,270.18 Crore from Catering, Rail Neer, Tourism & Internet Ticketing business. Highest ever PAT of H 1,111.26 Crore. Catering Services in 1250+ trains and served more than 16 lakhs meals per day. IRCTC holds a near monopoly in the railway catering in India, which gives it a dominant market position and consistent revenue streams.

The government's investment in railway infrastructure (₹2.6 lakh crores anticipated for this year) is expected to fuel future growth, according to management. As the economy and railway services grow, management stated that they are confident in gaining a larger portion of the market.

Catering revenue growth expected to continue at 15% CAGR, with potential upside from future tariff hikes. The company anticipates further growth in ticketing revenues from expanded services, including flights and buses.