

IRCTC

August 22, 2020

The government plans to sell part of its stake in Indian Railway Catering and Tourism Corp (IRCTC) this fiscal, and has invited bids from merchant bankers for managing the sale process. **The government currently holds 87.40% stake in IRCTC. To meet SEBI's public holding norm, the government has to lower its stake in the company to 75%.**

IRCTC

IRCTC, the only entity authorised by Indian Railways to provide catering services to railways, online railway tickets and packaged drinking water at railway stations and trains in India, was on the stock exchanges in October 2019. The company had raised ₹645 crore through the IPO. **IRCTC 'Offer For Sale' will help the government inch forward in meeting the ₹2.10 trillion disinvestment target.** Of this, ₹1.20 trillion will come from disinvestment of public sector undertakings and another ₹90,000 crore from stake sale in financial institutions.

IRCTC is a **"Mini Ratna (Category-I)" Central Public Sector Enterprise under the Ministry of Railways.** 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. The authorized capital of the company is 250 crores and paid up capital is 160 crores, fully subscribed by the Ministry of Railways. It's registered and corporate office is situated at New Delhi.

Core activities of the Company are:

- **Catering & Hospitality:**

- . Mobile Catering Business
- . Train Side Vending
- . Re-Designing and Development of Pantry Cars
- . Static Catering Business
- . Executive Lounges, Retiring Rooms and Budget Hotels
- . Food Safety Audits

- **Internet Ticketing:**

IRCTC's e-ticketing service has continued to go from strength to strength ever since it came into the market and now **accounts for 70% of reserved tickets in 2018-19 on Indian Railways booked online.** On an average, more than 7.78 lakh tickets were sold daily through IRCTC's website during 2018-19. The site offers round the clock ticket booking services except for 35 minutes from 2345 hrs to 0020 hrs.

- **Travel & Tourism:**

- . Tourism Portal
- . Rail Tour Packages
- . Buddhist Circuit Tourist Train
- . Maharajas Express

- **Packaged Drinking Water (Rail Neer):**

To enhance passenger amenities, the IRCTC launched Rail Neer, a branded packaged drinking water for the rail commuters. Rail Neer is **processed, purified and bottled at state-of-art plants.** Completely automatic plant and no manual handling of product water at any stage. At present, **IRCTC has eleven operational Rail Neer plants.** Cumulative production capacity

of above eleven Rail Neer plants is 11,64,000 bottles per day which will likely be increased to 16,24,000 bottles per day in FY 2019-20 by setting up six more plants.