

## IPO Note

# TSC India Limited

Recommendation: **NEUTRAL!**

**Company Background:** TSC India Limited is a travel management company which specializes in providing comprehensive air ticketing services tailored to the requirements of its clients.

### Objects of the Issue -

Particulars	Amt. in Lakhs
To meet the working capital requirements	2,200.00
General Corporate Purposes	-

### Promoters Name -

Ashish Kumar Mittal, Puja Mittal and Vinay Gupta

Promoter Share Holding Pattern	
Pre Issue	Post Issue
90.74%	66.85%

### Rationale for recommendation -

TSC India Limited, established in 2003, has vast industry experience and the IPO is slightly highly priced at a post-issue P/E of 19.96 times. The management is satisfactory with good experience in the industry and no dual chairmanship. The company saw increase in top line, EBITDA and bottom line and a sudden spike was observed in FY24 which was due to decrease in overall expenses. In FY25, the growth in the financials was almost static. The company had negative CFO for FY23 and FY25 and the DE ratio also remained quite high. Overall, the financials look slightly sustainable in the long run. The company's business operations are highly dependent on tourism industry. The company has high customer concentration which adds risk. The Indian air travel industry has slightly low growth potential as people are preferring booking tickets online rather than appointing an agent. Thus, we have a **NEUTRAL** opinion on this IPO. Informed investors may evaluate their risk and make a decision.

### IPO Details

Opening Date	Jul 23, 2025
Closing Date	Jul 25, 2025
Allotment Date	Jul 28, 2025
Listing Date	Jul 30, 2025
Stock Exchange	NSE SME
Lot Size	2,000 Shares
Issue Price Per Share	₹68 to ₹70
Issue Size	25.89 Cr.
Fresh Issue	25.89 Cr.
Offer for Sale	-
Application Amt	₹ 2,80,000 (4,000 shares)

KPI's	KPIs (In lakhs)		
	FY 23	FY 24	FY 25
Revenue	939.32	1,936.54	2,578.13
EBITDA	235.96	695.84	821.56
Net Profit	122.13	471.57	492.72
RoCE	16.14%	37.84%	33.28%
ROE	26.77%	53.98%	31.13%
P/E	27.56	7.12	13.81

Valuation Parameters		
Particulars	Pre-Issue	Post Issue*
EPS	5.07	3.51
BVPS	18.47	13.61
P/E	13.81	19.96
P/BV	3.79	5.14
Mkt Cap (In Cr)	72.45	98.34

\*Annualized

### Lead Managers -

**Expert Global Consultants Private Limited**

### Registrar -

**Bigshare Services Private Limited**

**Business Overview -**

The company was established July 18, 2003. It is a travel management company which specializes in providing comprehensive air ticketing services tailored to the requirements of its clients. The company serves B2B and corporate sectors and works closely with airlines and travel agents. The company operates in cities including Jalandhar, Chandigarh, Lucknow, Ahmedabad, Jaipur, New Delhi, and Pune. The company handles an average booking volume of over 400 per day, 3,000 per week, and 13,000 per month. As of March 31, 2025, the company has registered approximately 3,000 customers on its platform.

Year	FY 23	FY 24	FY 25
<b>Total Bookings</b>	60,829	1,09,451	1,62,975
<b>Bookings per day</b>	167	300	447
<b>Gross Transaction value (in lakhs)</b>	42,652.96	71,902.54	80,587.84
<b>Total customers registered</b>	1,023	1,513	2,996

**Subsidiary:** TSC Finserv Private Limited is a NBFC company which was incorporated with the primary objective to purchase, sell or hire out, or sell by instalment or on hire purchase system all kinds of motor vehicles, tractors, motor cycles, rickshaw, launches, boats, (mechanical or otherwise), sewing machine, television, radio sets, gramophones, pianos and musical instruments, machines, cameras electric domestic and industrial, appliances, refrigerator, air conditioner, furniture (wooden or metallic) and household equipment's, cinema photograph film.

**Revenue Model:**

1. Commission from contracts with Airlines
2. Productivity Linked Bonus/Incentives from Airlines
3. Rebates on Credit Card Payments
4. Global Distribution System (GDS) Segment Fees
5. Deposit Incentives
6. Service Charges

**Service-wise Bifurcation:****(In lakhs)**

Particulars	FY 23	%	FY 24	%	FY 25	%
Airline Commission	93.83	9.99%	419.47	21.66%	356.83	13.84%
Productivity linked bonus	272.07	28.96%	529.96	27.37%	788.25	30.57%
Rebates on credit card payments	145.76	15.52%	275.95	14.25%	299.25	11.61%
Others						
Service charges	287.97	30.66%	518.84	26.79%	820.05	31.81%
GDS segment fees	69.76	7.43%	108.65	5.61%	122.35	4.75%
Deposit Incentives	0.15	0.02%	9.79	0.51%	18.24	0.71%
<b>Total Take rate</b>	<b>869.54</b>	<b>92.57%</b>	<b>1,862.66</b>	<b>96.19%</b>	<b>2,404.97</b>	<b>93.28%</b>
Income from booking of rooms	0.06	0.01%	-	-	-	-
<b>Total Revenue for travel segment</b>	<b>869.60</b>	<b>92.58%</b>	<b>1,862.66</b>	<b>96.19%</b>	<b>2,404.97</b>	<b>93.28%</b>
Interest on loans	60.60	6.45%	72.42	3.74%	165.73	6.43%
Processing fees	9.12	0.97%	1.45	0.07%	7.44	0.29%
<b>Total</b>	<b>939.32</b>	<b>100%</b>	<b>1,936.53</b>	<b>100%</b>	<b>2,578.14</b>	<b>100%</b>

**Business Strategies -**

1. The company intends to offer special promotions, discounts, and loyalty programs to retain customers and attract new ones.
2. The company intends to engage actively with clients via social and digital media.
3. The company intends to create a niche market for the business and enhance its user interface.

**Risk Factors -**

- The business operations are significantly dependent on the global travel and tourism industry.
- The company is significantly dependent on the credit card companies and consumer financing options (airline ticketing transactions).
- The company is highly dependent on top 10 suppliers constituting to 75%, 71% and 70% in FY23, FY24 and FY25 respectively.

- The company has 9 cases against it for tax matters amounting to Rs. 176.57 lakhs.
- The subsidiary company has 2 cases against it for tax matters amounting to Rs. 37.87 lakhs.
- The company has contingent liabilities of Rs. 2,695.49 lakhs as of Mar-25.

## Key Management

- The management consists of **Ashish Kumar Mittal (Managing Director)**, **Puja Mittal (Non-Executive Director and Chairperson)** and **Vinay Gupta (Executive Director & CFO)**. They have been associated with the company since 2015. They have an average experience of 24 years and have relevant education.
- **Saket Sharma** and **Aman Kesarwani** are the **Independent Directors**. They have good experience in the industry with relevant education in their respective fields.
- **Sonia Gaba (CS & Compliance Officer)** is a member of ICSI and has 10+ years of experience.
- The senior management consists of **Chief Operating Officer**, **Chief Commercial Officer** and **General Manager**. They have an average experience of 15 years.

**Outlook:** Overall, the management is satisfactory with the management having vast experience in the industry and no dual chairmanship.

## Industry Overview –

### Indian Air Travel Market Overview

India's air travel industry is experiencing robust growth, driven by rising domestic demand, infrastructure expansion, and low-cost carrier dominance. In FY24, **domestic passenger traffic** rose to **153.7 Mn** (+13%) and **international traffic** reached **66.7 Mn** (+22.1%). Over the past decade, domestic and international traffic grew at a CAGR of **9.7%** and **4.5%** respectively.

Operating revenue rebounded to **₹1,200 Bn** in FY23, led by IndiGo (45.4% share), Air India (26.1%), and others. India leads globally in low-cost carrier (LCC) penetration, with LCCs comprising **71%** of airline capacity. Fleet expansion is underway, with Indian carriers ordering nearly **970 new aircraft** in 2023.

Airport infrastructure is also scaling rapidly—India now has **149 operational airports**, with a target of **220 by 2025**, backed by **\$12 Bn** in public investment. Programs like **UDAN** have launched 517 new regional routes, improving accessibility to Tier II/III cities.

Digital platforms (e.g., MakeMyTrip, Cleartrip) and technological upgrades (AI, NDC, dynamic pricing) are reshaping the ticketing ecosystem. Business travel, tourism infrastructure, and a rising middle class are further fueling growth.

### Outlook & Analysis of the industry:

India is on track to become the **world's 3rd-largest aviation market** by 2030, with domestic passengers projected to reach **300 Mn** annually. The sector will benefit from:

- Sustained government capex and airport development
- Expanding middle-class and youth-driven travel demand
- Growth in business and regional travel
- Increasing digital adoption and ancillary revenue models

With strong policy support, private investment, and rapid digitalization, India's aviation sector is set to be a key driver of the country's march toward a **\$20 trillion economy by 2047**.

## Peer Analysis

As per RHP, the company does not have any listed peers.

## Lead Manager

Expert Global Consultants Private Limited is the lead manager. In the last three years (including current year), they have handled 15 mandates and all of them opened at a premium.

## FINANCIAL SNAPSHOT

Key Performance Indicators				Key Ratios			
(In Lakhs)							
Particulars	FY 23	FY 24	FY 25	Particulars	FY 23	FY 24	FY 25
<b>P&amp;L Statement</b>				<b>Per Share Data</b>			
Total Income	984.95	2,059.47	2,632.06	Diluted EPS	2.54	9.83	5.07
Total Expenses	815.05	1,428.71	1,960.75	BV per share*	31.53	56.11	18.47
EBITDA	235.96	695.84	821.56	<b>Operating Ratios</b>			
EBIT	177.92	611.34	751.93	EBITDA Margins	25.12%	35.93%	31.87%
PBT	169.90	630.76	671.31	PAT Margins	13.00%	24.35%	19.11%
Tax Expenses	47.77	159.19	178.59	Inventory days	-	-	-
Net Profit	122.13	471.57	492.72	Debtor days	328.76	564.25	429.35
<b>Balance Sheet</b>				Creditor days	-	-	-
Total Equity	456.30	873.59	1,582.91	<b>Return Ratios</b>			
<b>Assets</b>				RoCE	16.14%	37.84%	33.28%
Non-Current Assets	1,297.73	1,090.65	935.36	RoE	26.77%	53.98%	31.13%
Current Assets	1,318.46	4,242.27	5,209.39	<b>Valuation Ratios (x)</b>			
Total Assets	2,616.19	5,332.92	6,144.75	EV/EBITDA	7.98	3.28	4.95
<b>Liabilities</b>				Market Cap / Sales	1.431	0.694	2.81
Non-Current Liabilities	496.77	538.29	347.61	P/E	27.56	7.12	13.81
Current Liabilities	1,513.98	3,717.32	3,885.11	Price to Book Value	2.220	1.248	3.79
Total Liabilities	2,010.75	4,255.61	4,232.72	<b>Solvency Ratios</b>			
<b>Cash Flow Statement</b>				Debt / Equity	2.87	2.03	1.61
CFO	-115.72	-19.25	-1,346.32	Current Ratio	0.87	1.14	1.34
CFI	-680.55	193.46	135.21	Quick Ratio	0.87	1.14	1.34
CFF	778.97	364.32	1,000.23	Asset Turnover	0.36	0.36	0.42
				Interest Coverage Ratio	3.32	5.91	5.59

\*Annualized

## FINANCIAL ANALYSIS –

1. The top line has increased over the years. It increased in FY24 by 106.16% and in FY25 by 33.13% which was primarily due to improvement in take rates and total number of bookings.
2. The EBITDA also increased by 194.90% in FY24 and it increased by 18.07% in FY25. The sudden increase in FY24 was contributed by reduced expenses (majorly employee benefit expense and other expenses) compared to PY. The EBITDA margin also saw a similar trend.
3. The net profit saw a sudden increase in FY24 by 286.12% which was majorly due to overall reduction in expenses (employee benefit expense and other expenses) in relation to revenue and increase in revenue from operations contributed as well. The PAT margin also saw a sudden increase in FY24.
4. The company had negative cash flow from operations for FY23 and FY25.
5. The return ratios also saw a sudden increase in FY24 and stabilized in FY25.
6. The DE ratio has remained high over the years.
7. The debtor days has remained very high over the years.

Overall, the financials of the company look slightly unsustainable in the long run.

## Disclaimer

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