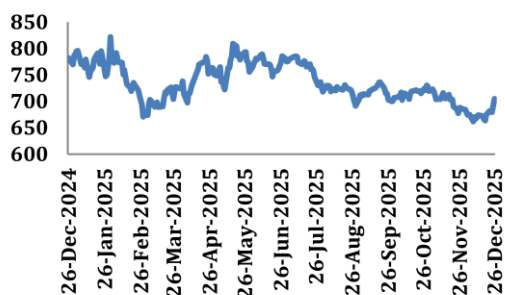


December 26, 2025

IRCTC LTD.

Industry	Travel Services
No. of Shares (Crore)	80.00
Face value (Rs.)	2.00
Mkt. Cap (Rs. Crore)	56,384
Price (26/12/2025)	704.80
Book Value (Rs)	53.26
P/BV	13.23
BSE Code	542830
NSE Code	IRCTC
Bloomberg	IRCTC IN
Reuters	INIR.BO
Avg. Weekly Volume (NSE)	28,20,205
52 W H/L (Rs)	838.35 / 655.70
Shareholding Pattern	%
Indian Promoters	62.40
Institutions	21.45
Non- Institutions	16.15
Total	100.00
(As on Sep 30, 2025)	
Recommendation	
BUY	

IRCTC



Company Background

Indian Railway Catering and Tourism Corporation (IRCTC) was incorporated on September 27, 1999 as a Central Public Sector Enterprise wholly owned by the Government of India and under the administrative control of the Ministry of Railways. It is the only entity authorized by Indian Railways to provide catering services to railways, online railway tickets and packaged drinking water at railway stations and trains in India.

Investment Rationale

➤ **Revenue Outlook:-** IRCTC maintains a positive revenue outlook, supported by resilient demand in ticketing, catering, tourism, and Rail Neer. Digital initiatives, new capacity, and cluster contracting will likely accelerate diversified topline momentum in the coming quarters. The recent announcement by the Indian Railways to hike fares w.e.f 26th Dec, 2025 is a positive development for IRCTC.

➤ **Margins Outlook:-** IRCTC expects EBITDA margins to stay robust above 35%, driven by disciplined cost management, digital efficiencies, and strong ticketing profitability. Segment margins in catering, Rail Neer, and tourism will remain stable, supported by volume growth and affordable pricing.

➤ **Monopoly Status:-** IRCTC is the sole entity authorized by the Indian Railways for online ticket bookings, on-board catering, and the supply of packaged drinking water (Rail Neer) on trains and at stations. This provides a significant competitive advantage and stable, high-margin revenue streams, particularly from internet ticketing (EBIT margins over 80%).

➤ **Strong Financial Fundamentals:-** IRCTC has historically demonstrated consistent profit growth, is virtually debt-free with substantial cash reserves, and boasts high ROE and ROCE ratios, indicating excellent capital efficiency. It is debt free and had Cash & Cash Equivalents worth ~Rs 2,950 Cr at the end of September 30, 2025

➤ **Synergy with Indian Railways' Growth:-** IRCTC is a direct beneficiary of the Indian government's massive capital expenditure and modernization plans for the railway sector (e.g., introduction of Vande Bharat, Tejas, and Bharat Gaurav trains, station redevelopment, and 100% electrification targets). Increased passenger traffic and an expanding network directly boost IRCTC's potential customer base.

➤ **Diversification and New Ventures:-** Beyond its core segments, IRCTC is expanding into non-railway catering, tourism packages (domestic and international), and digital initiatives like its own payment gateway, IRCTC i-Pay, for which it has received in-principle approval from the RBI.

Recommendation

IRCTC holds the monopoly status with respect to ticket booking. With the expansion and ease of online railway ticket booking, passengers can now book railway tickets from the comfort of their homes 24/7. With the ongoing travel season, ticket booking are expected to show exponential growth in Q3FY26. Accessibility to clean and hygienic food on train is now one of the top most priorities of Indian Railways and IRCTC also hold the key in this vertical. With RBI's approval to operate as an online payment aggregator allows IRCTC to process payments, serve as an intermediary for merchants, and expand its digital payment services. We would recommend a BUY with a target price of Rs 825 in the next 9-12 months' thus implying a rise of 17% from the current levels.

Particulars (In Rs. Crs)	Q2FY26	Q2FY25	Var%	H1FY26	H1FY25	Var%
Net Sales	1,145.99	1,064.00	7.71	2,305.67	2,181.58	5.69
Operating Profit	404.23	372.80	8.43	801.50	747.73	7.19
Net Profit	342.02	307.86	11.10	672.73	615.58	9.28
PBITDM%	35.27	35.04	0.66	34.76	34.27	1.43
PATM%	29.85	28.93	3.18	29.18	28.22	3.40
Equity	160.00	160.00	-	160.00	160.00	-
EPS (Rs.)	4.28	3.85	11.17	8.41	7.69	9.36

*Source: Company, Ace Equity, AUM Research

December 26, 2025

Company Overview

Catering & Hospitality (45% of Revenues)

- Providing catering services on board to more than 1,318 trains through pantry or base kitchen.
- Static catering services at Jan Ahars, cell kitchens, food courts and refreshment rooms at railway stations.
- E-Catering services allowing passengers to order food from partner restaurants and food outlets while travelling.

Internet Ticketing (31% of Revenues)

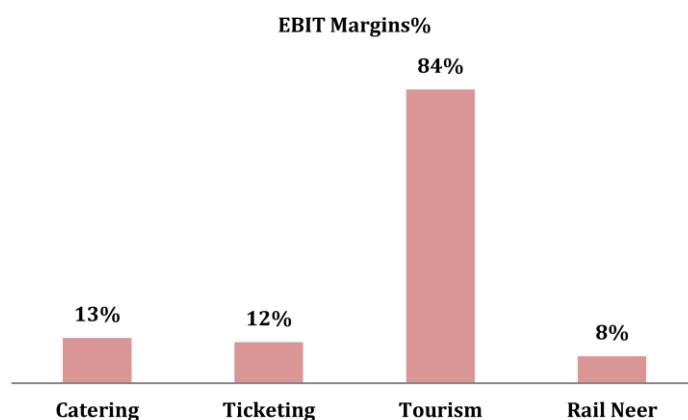
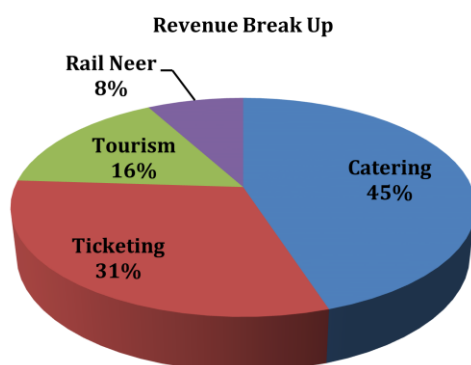
- Ticket booking services through its own website and mobile application app.
- The online ticketing penetration is 90% of the total tickets booked, signifying its importance and adoptability.
- In addition to these, IRCTC is also offering value added services like e-wallets and loyalty scheme through a co-branded credit card.

Tourism (16% of Revenues)

- The tourism section offers domestic and international tour packages, hotel bookings, car rentals, air ticketing, educational tours, charter train packages and cruise packages.
- Special tourist trains like Buddhist Circuit, Bharat Darshan and theme based tourist trains also form part of its theme.
- Luxury trains like Maharaja Express and Golden Chariot fall under its purview and are wholly managed by it.

Rail Neer (8% of Revenues)

- IRCTC is operating around 20 plants related to this segment.
- The plants are fully automated and there is minimal involvement of any manual handling.
- Current capacity utilization is more than 79% with an installed capacity of 18.40 Lakh Litres per Day and maintains a robust presence over 410 railway stations nationwide.



*Source: Company, AUM Research

Rationale For Investment

1) In Principal approval from RBI to operate as a Payments Aggregator

- **RBI Approval:-** IRCTC has received in-principle approval from the RBI to operate as a **Payment Aggregator (PA)** through its wholly-owned subsidiary, **IRCTC Payments Ltd.** This license allows IRCTC to process digital transactions internally, reducing reliance on third-party gateways (like Razorpay, PayU) and enabling the management of payments for its own services (ticketing, catering, tourism) and third-party merchants.
- **Internalization of Payments:-** The move allows IRCTC to handle the entire payment flow—collection to settlement—using its own platform, expected to be fully operational in 12–18 months from August 2025.
- **Expansion Beyond Ticketing:-** IRCTC plans to use this license to offer payment services for e-commerce and other sectors, leveraging its massive user base.
- **Enhanced iPay System:-** The existing "IRCTC iPay" gateway will be strengthened, integrating various payment methods like UPI, credit/debit cards, net banking, and wallets to streamline transactions and reduce costs.
- **Competitor to Fintech Giants:-** IRCTC aims to compete with major payment players like BillDesk, Razorpay, PayU, and CCAvenue by offering its own, trusted, and secure payment processing

2) New revenue streams in the Tourism Business

- **MICE (Meetings, Incentives, Conferences, and Exhibitions):-** IRCTC collaborated with the Ministry of Tourism at the Asia Pacific Incentives and Meetings Event in Melbourne in 2024 and the PATA (Pacific Asia Travel Association) event in Bangkok in August 2025 where IRCTC was given the responsibility by the Ministry Of External Affairs to organize the same. The initiative highlighted rail journey experiences, Buddhist tourism, and partnerships to boost cross-border tourism with over 24 co-sellers.
- **Strategy going forward:-** IRCTC has laid out an elaborate plan for growth in this vertical. It plans to divide all the ministries and the state government in five clusters as well as bring in good PPP partners and try to garner business from government and semi-government organizations including the PSUs.

3) Holiday season to help in boosting revenue

- **Peak Holiday season:-** Peak travel periods are listed from October 1st to January 4th, with specific blackout dates around the festive peak (e.g., late December to early January). IRCTC offers a variety of tour packages during this time which is expected to boost revenue in Q3FY26.
- **Structured tours:-** IRCTC plays an important role promoting and operating tourist trains and packages is becoming increasingly crucial. Tailored offerings, such as Bharat Gaurav and Aastha circuit trains, enables IRCTC to respond to evolving demands and offer structured, rail based travel solutions. Key circuits include the Ramayana Yatra, Jyotirlinga and Dakshin Bharat Yatra, among others.

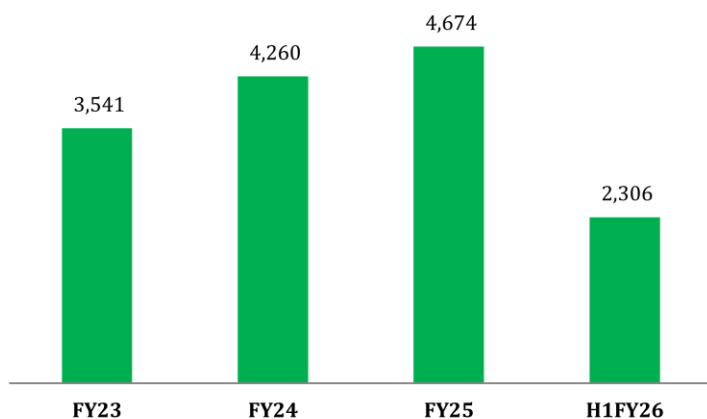
4) Steady growth in the Catering business

- **Monopoly Status:-** IRCTC is the sole authorized entity by the Ministry of Railways to provide onboard catering services and manage most static catering units (food plazas, refreshment rooms, etc.) at railway stations. This eliminates competition within the railway ecosystem and ensures a stable market.
- **Vast Operational Reach:-** The sheer scale of the Indian railway network gives IRCTC unparalleled reach, managing catering on over 1,250 trains and hundreds of stations, serving millions of passengers daily.
- **Captive Customer Base:-** With millions of daily rail passengers, IRCTC has a massive, built-in market for its catering services, from onboard meals to e-catering orders.
- **Brand Trust and Government Support:-** As a Public Sector Undertaking (PSU) under the Ministry of Railways, IRCTC benefits from inherent public trust and government backing, which helps in policy formulation and infrastructure development.
- **Integrated Digital Platform (e-Catering):-** The "Food on Track" app and e-catering website offer a seamless online booking system, allowing passengers to pre-order food from a wide network of partner restaurants and brands (like Domino's, Haldirams, etc.) and have it delivered directly to their seats. This innovation enhances convenience and variety for travelers.
- **Diversified Offerings:-** Beyond standard meals, IRCTC offers specialized options like Jain thalis, local delicacies, and festival-specific menus, catering to diverse dietary preferences across the country.
- **Quality Control and Hygiene Standards:-** IRCTC mandates that all its food partners and base kitchens are FSSAI-certified and adhere to strict hygiene and quality checks, building passenger confidence in the food quality.
- **Value-Added Services:-** The catering segment is part of a larger ecosystem that includes online ticketing and tourism, allowing for integrated service offerings and a holistic travel solution for customers.
- **Steady and dependable revenue stream for IRCTC:-** This segment continues to be a steady and dependable revenue stream with consistent growth potential. It is further supported by growing passenger volume and customer-centric service initiatives.
- **Reach:-** Currently IRCTC is providing services in 1,318 trains and in 15 Amrit Bharat Trains which is expected to go up in future.

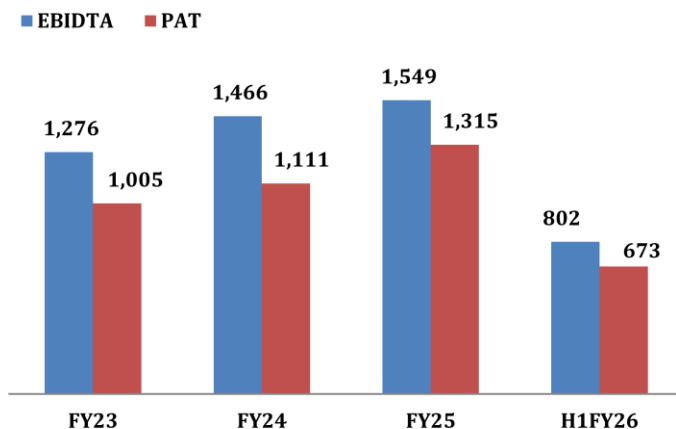
December 26, 2025

Financial Overview

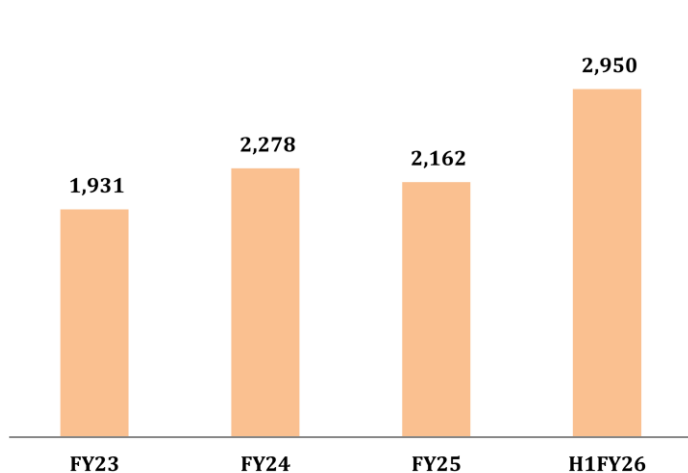
Revenue In INR Cr



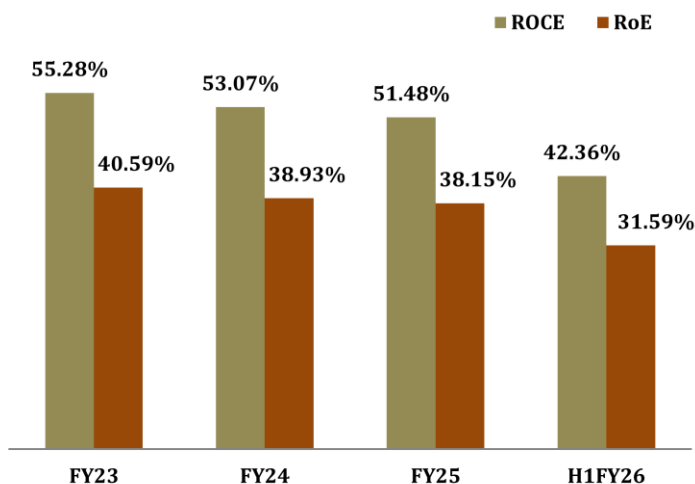
EBIDTA & PAT In INR Cr



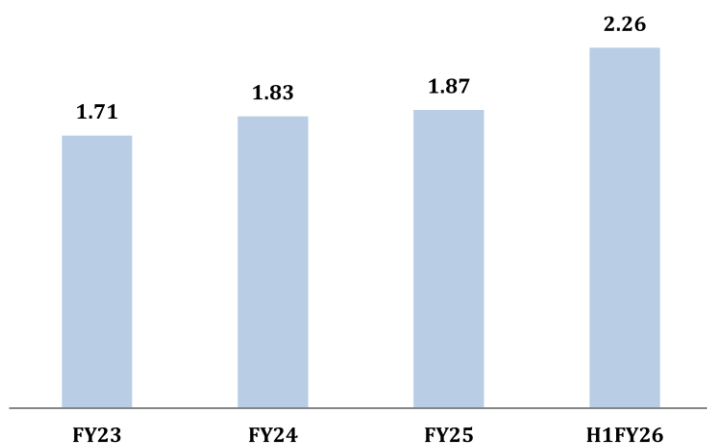
Cash & Bank In INR Cr



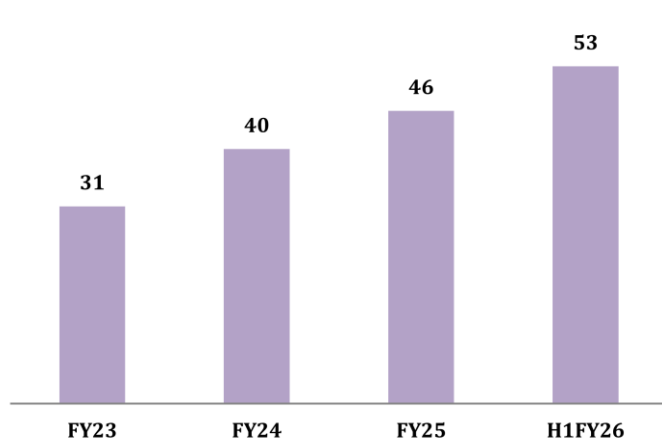
Return Ratios %



Liquidity Ratio



Book Value Per Share



*Source: Company, Ace Equity, AUM Research

December 26, 2025
Financials

Quarterly Results (Value in Rs. Crs)						
Particulars	Q2FY26	Q2FY25	Var%	H1FY26	H1FY25	Var%
Net Sales & Other Operating Income	1,145.99	1,064.00	7.71	2,305.67	2,181.58	5.69
Total Expenditure	741.76	691.19	7.32	1,504.17	1,433.86	4.90
PBIDT (Excl OI)	404.23	372.80	8.43	801.50	747.73	7.19
Other Income	62.98	59.97	5.02	124.17	111.38	11.48
Operating Profit	467.22	432.77	7.96	925.67	859.11	7.75
Interest	4.39	3.08	42.53	8.84	5.90	49.83
Exceptional Items	5.80	-	-	5.80	2.21	162.44
PBDT	468.64	429.69	9.06	922.63	855.42	7.86
Depreciation	11.42	13.11	-12.89	23.29	26.99	-13.71
PBT	457.21	416.58	9.75	899.35	828.43	8.56
Tax	115.19	108.71	5.96	226.62	212.85	6.47
Net Profit	342.02	307.86	11.10	672.73	615.58	9.28
Equity	160.00	160.00	-	160.00	160.00	-
EPS (Rs.)	4.28	3.85	11.17	8.41	7.69	9.36

Income Statement (Value in Rs. Crs)			
Particulars	FY25	FY24	FY23
Operating Income	4,674.77	4,260.21	3,541.47
Total Expenditure	3,124.98	2,794.26	2,265.25
Operating Profit (Excl OI)	1,549.79	1,465.96	1,276.22
Other Income	229.09	164.48	120.43
Operating Profit	1,778.88	1,630.43	1,396.65
Interest	16.89	18.64	16.11
PBDT	1,761.98	1,611.79	1,380.54
Depreciation	52.58	57.22	53.73
Profit Before Tax and Exceptional Items	1,709.40	1,554.57	1,326.81
Exceptional Items	47.89	-58.53	27.20
Profit Before Tax	1,757.29	1,496.04	1,354.01
Provision for Tax	442.38	384.97	348.13
Net Profit	1,314.90	1,111.08	1,005.88
EPS (Rs.)	16.44	13.89	12.57

*Source: Company, Ace Equity, AUM Research

December 26, 2025

Balance Sheet (Value in Rs. Crs)			
Particulars	FY25	FY24	FY23
EQUITY AND LIABILITIES			
Share Capital	160.00	160.00	160.00
Total Reserves	3,503.36	3,069.79	2,318.40
Shareholder's Funds	3,663.36	3,229.79	2,478.40
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Deferred Tax Assets / Liabilities	-232.68	-141.28	-130.55
Other Long Term Liabilities	204.90	113.61	113.55
Long Term Provisions	128.25	116.10	105.44
Total Non-Current Liabilities	100.47	88.42	88.44
Trade Payables	1,034.13	997.65	852.15
Other Current Liabilities	1,734.93	1,603.62	1,511.63
Short Term Provisions	527.49	423.17	400.80
Total Current Liabilities	3,296.56	3,024.44	2,764.59
Total Liabilities	7,060.39	6,342.65	5,331.43
ASSETS			
Gross Block	1,202.37	708.81	660.96
Less: Accumulated Depreciation	414.79	392.25	336.61
Net Block	787.59	316.55	324.35
Capital Work in Progress	27.24	442.52	33.79
Assets In Transit	25.83	26.21	26.58
Long Term Loans & Advances	45.24	19.27	220.75
Other Non Current Assets	0.76	1.16	0.92
Total Non-Current Assets	886.66	805.71	606.39
Inventories	11.20	10.97	9.61
Sundry Debtors	1,733.72	1,374.34	1,142.91
Cash and Bank	2,162.04	2,277.65	1,930.82
Other Current Assets	416.01	268.39	239.17
Short Term Loans and Advances	1,850.77	1,605.59	1,402.53
Total Current Assets	6,173.74	5,536.94	4,725.04
Net Current Assets (Including Current Investments)	2,877.18	2,512.50	1,960.45
Total Current Assets Excluding Current Investments	6,173.74	5,536.94	4,725.04
Total Assets	7,060.39	6,342.65	5,331.43

*Source: Company, Ace Equity, AUM Research

December 26, 2025

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