

**Tourism boom will sustain, diversification positive, valuations moderate**

IRCTC is a product of the digitization project and rides on the monopolistic segment of rail transportation segment. Rail ticket booking has rapidly developed into an infrastructure-beneficial platform that is capable of capitalizing on the junction of social infrastructure, e-commerce, and mobile consumer access. It is strategically important not to just be sharing the market alone, but because of its institutional importance in the railway ecosystem and because of its growing ability to overlay other services that surround a captive user base that comes around a recurring user base. The company has overtime shifted its operation to be more of an integrated travelling enabler rather than a transactional utility by increasing its touchpoints in payments, tourism, catering, and digital offerings. This process is indicative of a wider reconfiguring, whereby it is shifting towards developing an ecosystem, as opposed to executing a specific mandate.

**From Monopoly to Ecosystem: The transition is midway through**

IRCTC's dominance in railway e-ticketing is no longer a story of expansion but of consolidation. With nearly 90% of reserved railway tickets booked online through its platform and annual ticket volumes exceeding 5 Bn tickets in FY25, the company has effectively internalized India's rail reservation digitization. Internet ticketing continues to generate extraordinary margins over 80% EBITDA in Q4 FY25 and ~85% in Q3 FY26, making it the structural profit engine. Yet saturation in penetration demands evolution beyond scale.

The application for a Payment Aggregator license with RBI and the subsequent in-principle approval phase signal an infrastructural pivot. Currently, only a fraction of transaction value flows through IRCTC's internal I-Pay system despite a large captive GMV base. Simultaneously, management has articulated plans for a unified travel portal integrating OTA services, air packages, MICE, hotel bookings, and digital enhancements through AI/ML. Non-rail tourism (notably air packages) has already grown ~28% YoY in FY25. What emerges is a quiet architectural shift: from ticket issuer to transaction orchestrator; from rail utility to travel infrastructure. If value layers continue to accumulate beneath the same user interface, revenue density may expand without visible expansion in user count. In such systems, monetization often matures before the market recognizes its transition.

**Domestic Tourism boom is only half the story**

Tourism has shifted from being opportunistic to strategic. In FY25, tourism revenue in Q4 grew 38% YoY, while Q2 FY26 showed ~21% YoY growth despite geopolitical disruptions. The Bharat Gaurav train alone generated ₹277 crore in FY25 revenue with ~8% margin. Maharajas' Express generated ₹92 crore with 18 to 20% margin. Expansion of rakes and itineraries continues, while Golden Chariot operations are gradually scaling. Additionally, entry into MICE activities and unified OTA integrations aligns IRCTC with government policy thrust toward tourism-led employment and infrastructure growth. The subtle advantage lies in alignment: when national policy prioritizes tourism expansion, IRCTC acts as an executing arm.

**We Initiate buy with a price target of INR 817**

IRCTC is a current day anomaly is of regulatory exclusivity, digital scalability, and institutional fit. Its core platform generates resilient cash flows whereas its adjacent verticals provide pathways to monetization through incremental means. The company seems to be strengthening its internal structure instead of being aggressive in growth expansion, which is refining monetization layers, making cash more efficient, and aligning growth plans with national interest. The calculated time of change implies that value might be created not of sudden change but by disciplined approach. As the ecosystem depth increases and capital allocation is kept nimble, the model of the business becomes increasingly similar to infrastructure that contains optionality. **We value IRCTC 40x of its forecasted EPS of FY28 to arrive at our price target.**

21 April 2026

**BUY**

**Company Data**

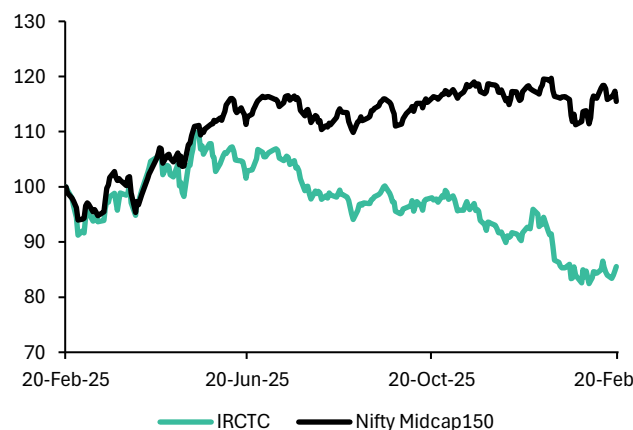
Ticker/CMP	IRCTC / Rs. 561
Price Target   Upside%	Rs. 817   45%
Market Cap	Rs. 44,890 Cr
Stock P/E	32.5
Price to book value	10.5
Outstanding shares	80 Cr
Retail	37.60%
52w High/Low	820 / 493

**Shareholding Pattern %**

	Jun-25	Sep-25	Dec-25
Promotor	62.40	62.40	62.40
Mutual Funds	3.13	2.94	2.46
DII	11.03	11.24	11.56
FII	7.28	7.27	7.19
Retail	16.17	16.15	16.40

**Key Financial Data**

(Rs . Crore)	FY25A	FY26F	FY27F	FY28F
Revenue	4,675	5,095	5,613	6,209
EBIT	1,498	1,562	1,685	1,834
EBIT Margin%	32.0%	30.7%	30.0%	29.5%
Net Profit	1,315	1,353	1,475	1,633
Net Profit Margin%	28.12%	26.56%	26.28%	26.30%
EPS	16	16.91	18.44	20.41
Total Assets	6,799	7543	8,353	9,250
ROE%	38%	34%	31%	30%



**Relative Valuation is much better than before**

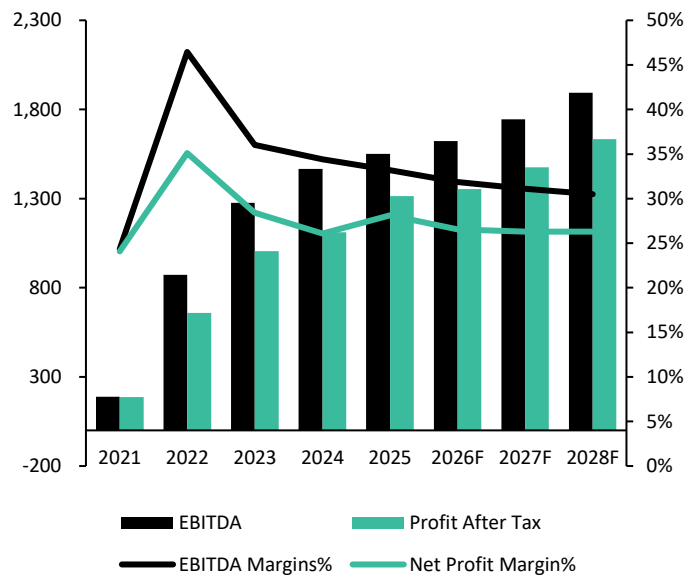
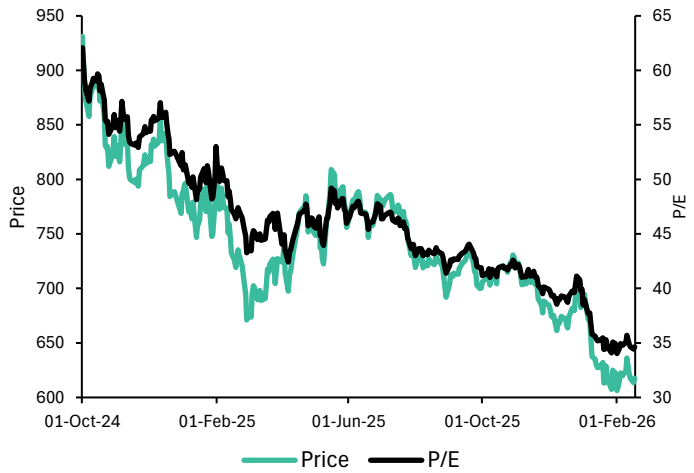
Currently, IRCTC is trading at ₹561 translating into a market capitalisation of about ₹44,890 crore(s) placing the company about 31% below its 52-week high price of ₹820. The equity also stands at a significant discount to the industry multiple of 46.5x even though it has structurally advantageous returns profile with a ROCE of 49% and ROE of 37.2%. This disparity can be particularly perceivable considering it through the lens of the assets-lite digital core developed by IRCTC, margins that resemble annuities based on using online ticketing, and ecosystem optionality presented by payment integration and integrated travel. The multiple of 12.1X looks high visually on a price-to-book basis; under conventional book-value comparison, however, the economic characteristics of platform-dominated models in which intangibles supremacy, network effects and regulatory monopoly drive efficiency in capital is underestimated. Its asset turnover of 19.9% and low leverage indicate strength and capacity to grow selectively and without the financial risks of significant influence. The equity has an EV/EBITDA of 25.6x, which, although not cheap on an absolute basis, is justified by a 24.6% growth in the EPS over the last three years and PEG of 1.52 which is anchored on long run earnings visibility as opposed to temporary recovery.

**Tourism as Instrument of Policy and Profit**

Tourism has shifted from being opportunistic to strategic. In FY25, tourism revenue in Q4 grew 38% YoY, while Q2 FY26 showed ~21% YoY growth despite geopolitical disruptions. The Bharat Gaurav train alone generated ₹277 crore in FY25 revenue with ~8% margin. Maharajas’ Express generated ₹92 crore with 18-20% margin. Expansion of rakes and itineraries continues, while Golden Chariot operations are gradually scaling. Moreover, the entrance into the activities of MICE and complete OTA integrations are the steps towards IRCTC and to address the governmental policy initiations with the considered tourism as the source of employment and infrastructure development. The nuanced benefit is congruency, as the national policy puts tourism growth in priority, IRCTC becomes an implementing arm. When this happens, the development is no longer market based but is institutionalized and to the extent that the execution discipline is maintained, the income in tourism will have more structural support than periodic events.

**Balance Sheet Discipline and the Gradual Release of Cash**

Receivables remain structurally elevated, largely from Indian Railways. However, the so-called advanced realisation at the ticket-booking phase and HST combination to expedited billing approval are gradually institutionalised. A balance-sheet clean-up also occurred (based on reconciliation of legacy items) in FY25 and led to one-time gain and the elimination of historical provisioning. The motive to clean the balance sheet is an indicator of maturity of the governance. Cash-flow visibility is improving in response to incremental investment in reducing working-capital intensity, which rarely affects valuation at first, but when they do, this is obviously convincing. Marginal cash velocity improvements can take up a disproportionate rise in the return ratios in capital light digital cores.



**Dividend Signaling and Institutional Confidence**

FY25 dividend payout reached ₹8 per share, the highest ever, amounting to ₹640 crore. PAT growth outpaced revenue growth (18% vs ~10%), indicating operating leverage and non-operational clean-up benefits. High payout ratios in a business with limited capital intensity and expanding net worth may gradually reposition the company from a growth utility to a cash-generating infrastructure platform. When reinvestment requirements remain moderate, surplus capital often compounds shareholder confidence more than aggressive expansion does.

Income Statement									In ₹Crore
Particulars	FY21A	FY22A	FY23A	FY24A	FY25A	FY26F	FY27F	FY28F	
<b>Total income from core activities</b>	777	1,879	3,541	4,260	4,675	5,095	5,613	6,209	
<i>Yoy Growth%</i>	0.0%	141.9%	88.5%	20.3%	9.7%	9.0%	10.2%	10.6%	
Cost of Goods Sold	110	204	342	420	469	512	563	615	
<b>Gross Profit</b>	667	1675	3200	3840	4206	4583	5050	5594	
<i>Gross Profit Margin</i>	86%	89%	90%	90%	90%	90%	90%	90%	
Expenses of Catering Services	109	283	1073	1381	1561	1763	1993	2252	
Expenses of Tourism & Train Operations	70	166	442	526	561	611	667	733	
Employee benefits expense	206	240	246	289	315	344	375	408	
Other Expenses	92	113	163	177	218	242	271	306	
<b>EBITDA</b>	189	873	1,276	1,466	1,551	1,622	1,745	1,894	
<i>EBITDA Margins%</i>	24%	46%	36%	34%	33%	32%	31%	31%	
Depreciation and Amortisation	46	49	54	57	53	60	60	60	
<b>EBIT</b>	143	824	1223	1409	1498	1562	1685	1834	
<i>EBIT Margin%</i>	18.4%	43.8%	34.5%	33.1%	32.0%	30.7%	30.0%	29.5%	
<i>Yoy Growth%</i>		477.2%	48.5%	15.3%	6.3%	4.3%	7.9%	8.8%	
Interest Expense	8	11	16	19	17	31	46	50	
<b>EBT From Core</b>	134	812	1206	1390	1481	1531	1639	1784	
Total Gain/Loss from non-core	84	77	120	164	228	273	328	394	
Exceptional items - income / (expense)	39	-4	27	-59	48	0	0	0	
<b>Total EBT</b>	258	885	1354	1496	1757	1804	1967	2177	
Taxes	70	226	348	385	442	451	492	544	
<b>Profit After Tax</b>	187	660	1006	1111	1315	1353	1475	1633	
<i>Net Profit Margin%</i>	24.1%	35.1%	28.4%	26.1%	28.1%	26.6%	26.3%	26.3%	
<i>Yoy Growth%</i>		252.7%	52.5%	10.5%	18.3%	2.9%	9.0%	10.7%	
<b>EPS</b>	2.00	8.24	12.57	13.89	16.43	16.91	18.44	20.41	

Cashflow Statement									In ₹Crore
Particulars	FY21A	FY22A	FY23A	FY24A	FY25A	FY26F	FY27F	FY28F	
<b>Net Profit Before Tax</b>	258	885	1354	1496	1757	1804	1967	2177	
Adjustments	-28	-11	-24	-56	-98	92	106	110	
Change In Working Capital	85	-72	-89	-110	-412	-98	-134	-157	
Income Taxes Paid	-67	-279	-429	-448	-415	-451	-492	-544	
<b>Cashflow From Operating Activities</b>	248	524	812	882	833	1346	1448	1587	
Payments For PP&E	-77	-22	-68	-232	-48	-60	-60	-60	
Other Investing Activities	-376	-221	-249	32	-205	0	0	0	
<b>Cashflow From Investing Activities</b>	-453	-242	-317	-200	-252	-60	-60	-60	
Other Financing Activities	-7	-18	-34	-44	-30	-31	-46	-50	
Dividends Paid	-40	-240	-400	-360	-880	-663	-723	-800	
<b>Cashflow From Financing Activities</b>	-47	-258	-434	-404	-910	-694	-769	-850	
<b>Net Change In Cash</b>	-252	23	61	277	-329	592	619	676	
Cash At The Beginning Of The Year	597	345	368	429	706	378	970	1588	
<b>Cash At The End Of The Year</b>	345	368	429	706	378	970	1588	2264	

Balance Sheet								In ₹Crоре
Particulars	FY21A	FY22A	FY23A	FY24A	FY25A	FY26F	FY27F	FY28F
<b>Assets</b>								
<b>Non-current assets</b>								
Property, Plant and Equipment	197	205	224	226	669	669	668	668
Capital work-in-progress	24	26	34	443	27	27	27	27
Investment Property	27	27	27	26	26	26	26	26
Other Intangible Assets	7	5	3	3	2	2	2	2
Right-of-use Assets	79	98	98	87	117	117	117	117
<b>Financial Assets</b>								
(i) Investments	0							
(ii) Loans	0							
(iii) Other Financial Assets	0	0	1	1	1	1	1	1
Deferred Tax Assets (Net)	72	95	131	141	233	233	233	233
Other Non-Current Assets	35	49	221	19	45	45	45	45
<b>Total Non-Current Assets</b>	<b>441</b>	<b>506</b>	<b>737</b>	<b>947</b>	<b>1,119</b>	<b>1,119</b>	<b>1,119</b>	<b>1,119</b>
<b>Current assets</b>								
Inventories	7	8	10	11	11	11	11	11
<b>Financial Assets</b>								
(i) Trade Receivables	540	572	1143	1374	1734	1,885	2,077	2,297
(ii) Cash and Cash Equivalents	345	368	429	706	378	970	1,588	2,264
(iii) Bank Balances other than (ii) above	1115	1363	1502	1571	1785	1,785	1,785	1,785
(iv) Loans	11							
(v) Others	103	152	211	257	495	495	495	495
Current Tax Assets (Net)	36	65	109	161	42	42	42	42
Other Current Assets	567	850	949	1063	1236	1,236	1,236	1,236
<b>Total Current Assets</b>	<b>2,725</b>	<b>3,378</b>	<b>4,352</b>	<b>5,144</b>	<b>5,680</b>	<b>6,423</b>	<b>7,234</b>	<b>8,131</b>
<b>Total Assets</b>	<b>3,166</b>	<b>3,884</b>	<b>5,089</b>	<b>6,091</b>	<b>6,799</b>	<b>7,543</b>	<b>8,353</b>	<b>9,250</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Equity share capital	160	160	160	160	160	160	160	160
Other Equity	1,307	1,710	2,318	3,070	3,503	4,193	4,946	5,779
<b>Total Equity</b>	<b>1,467</b>	<b>1,870</b>	<b>2,478</b>	<b>3,230</b>	<b>3,663</b>	<b>4,353</b>	<b>5,106</b>	<b>5,939</b>
<b>Liabilities</b>								
<b>Non-current liabilities</b>								
<b>Financial Liabilities</b>								
Lease Liabilities	-	83	59	42	72	92	112	132
Other Financial Liabilities	80	22	37	54	100	100	100	100
Provisions	73	103	105	116	128	128	128	128
Other Non-Current Liabilities	9	7	17	18	34	34	34	34
<b>Total Non-Current Liabilities</b>	<b>161</b>	<b>216</b>	<b>219</b>	<b>230</b>	<b>333</b>	<b>353</b>	<b>373</b>	<b>393</b>
<b>Current Liabilities</b>								
<b>Financial Liabilities</b>								
Lease Liabilities	-	21	25	19	18	18	18	18
(i) Trade payables	-	-	-	0	0			
(a) total outstanding dues of micro enterprises and small enterprises	0	9	25	93	119	143	172.05	206.46
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	180	682	827	905	915	924	933	942
(ii) Others	692	320	355	557	393	393	393	393
Other Current Liabilities	650	737	1,132	1028	1324	1324	1324	1324
Provisions	11	28	28	30	34	34	34	34
Current Tax Liability (Net)	5							
<b>Total Current Liabilities</b>	<b>1,538</b>	<b>1,798</b>	<b>2,391</b>	<b>2,632</b>	<b>2,803</b>	<b>2,836</b>	<b>2,874</b>	<b>2,918</b>
<b>Total Equity and Liabilities</b>	<b>3,166</b>	<b>3,884</b>	<b>5,089</b>	<b>6,091</b>	<b>6,799</b>	<b>7,543</b>	<b>8,353</b>	<b>9,250</b>

## Ratios

Rs. Crore	2022A	2023A	2024A	2025A	2026F	2027F	2028F
Sales Growth	142%	89%	20%	10%	9%	10%	11%
EBITDA Growth	362%	46%	15%	6%	5%	8%	9%
EBIT Growth	477%	48%	15%	6%	4%	8%	9%
EBT Growth	-444%	-253%	-211%	-217%	-203%	-209%	-211%
Net profit Growth	253%	53%	10%	18%	3%	9%	11%
EBITDA Margin	46%	36%	34%	33%	32%	31%	31%
EBIT Margin	44%	35%	33%	32%	31%	30%	30%
EBT Margin	43%	34%	33%	32%	30%	29%	29%
Net Profit Margin	35%	28%	26%	28%	27%	26%	26%
Return on Equity	40%	46%	39%	38%	34%	31%	30%
Return on Capital Employed	44%	51%	46%	40%	36%	33%	31%
Return on Asset	19%	22%	20%	20%	19%	19%	19%
Inventory Days	66	42	52	61	59	54	49
Debtor Days	108	88	108	121	130	129	129
Creditors Days	1148	1266	1369	1424	1359	1277	1219
Current Ratio	1.9	1.8	2.0	2.0	2.3	2.5	2.8
Quick Ratio	1.9	1.8	2.0	2.0	2.3	2.5	2.8
Cash Ratio	0.8	0.7	0.7	0.2	0.6	0.6	0.6
Debt To Equity	0.05	0.01	0.02	0.02	0.03	0.02	0.02
Earnings Per Share	8.2	12.6	13.9	16.4	16.9	18.4	20.4
Book Value Per Share	23	31	40	46	54	64	74
Earnings Yield%	1.1%	2.2%	1.5%	2.3%	2.6%	2.9%	3.2%
P/E	94.1	45.6	66.9	44.3	38.3	35.1	31.7
P/B	33.1	18.5	23.0	15.9	11.9	10.1	8.7
P/S	33.0	12.9	17.4	12.4	10.2	9.2	8.3

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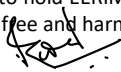
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