

Date – 16 June 2025

Rec Price: 764

Finkhoz Rating: 8.1/10

Guidance : Accumulate

About the company:

Indian Railway Catering and Tourism Corporation Ltd. (IRCTC) is a government-owned enterprise established as an extended arm of the Indian Railways. It was incorporated in 1999 with the objective of upgrading, professionalizing, and managing catering and hospitality services at railway stations, on trains, and other locations. And operates in four key areas: catering and hospitality, internet ticketing, travel and tourism, and packaged drinking water (Rail Neer). IRCTC manages ticketing for 10+ million passengers daily and operating 1,000+ tourist trains across India.

Company Guidance:

SwaRail App:

IRCTC’s involvement with the new SwaRail app will remain limited to reservation services (ticket booking). No plans to expand into other services like unreserved tickets, parcels, or goods.

Catering Business Outlook:

This growth is specifically expected from the increasing number of Vande Bharat trains (which are prepaid trains) and Amrit Bharat trains (which include pantry cars). Both these types of trains "will lead to enhancement in our catering business.

Impact of Government Policies:

IRCTC stated that changes in ticket reservation timelines won’t impact its business and past issues over convenience fee sharing have been resolved, leading to a stronger position.

Expansion Plan:

Payment Aggregator License:

IRCTC applied for in-principle approval from the RBI in December 2024 and has submitted the required clarifications. Management expects to receive approval within the current or next 2–3 months. The final approval may take up to a year, after which margin improvements are expected to become visible.

Tourism Growth Outlook:

Management is confident about continued tourism growth and plans to launch a unified portal for hotel, air bookings, and MICE activities. They are also adding a new rake to the 10 existing Bharat Gaurav trains, signaling expansion in this high-potential segment.

Expert View:

IRCTC reported strong FY25 results, with record revenue and profit, healthy margins, and low debt levels. The company is actively growing its tourism, non-railway tourism, and catering businesses. The expected approval of the aggregator license could further boost its ticketing segment. However, the rise in receivables from FY22 to FY25 and the delay in aggregator license approval need to be monitored. Despite this, IRCTC remains well-positioned for long-term, sustainable growth.

Company Data

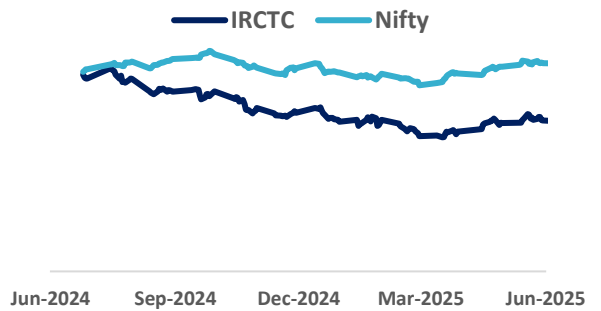
Market cap (INR Crore)	: 61,644 (₹)
Segment	: Consumer Tech
52 Weeks H/L	: 1,059 / 656 (₹)
Institutional Change(%)	: 1.7%
Inst. Holding (till Mar-25)	: 21.17
Annual Upside	: 24.21

Debt Metrics

Debt to Equity	: 0.02x
Interest Coverage	: 81.3x

Absolute Returns

	IRCTC	Nifty
1 Year	-25.4%	7.5%
3 Years	28.4%	62.4%
5 Years	173.1%	151.6%



Financial Performance

Sales 5 Yr CAGR (%)	: 14.89%
PAT 5 Yr CAGR (%)	: 62.21%
Latest Qtr. Sales Growth YoY	: 9.90%
Latest Qtr. Profit Growth YoY	: 26.06%
Operating Margin	: 32.01%

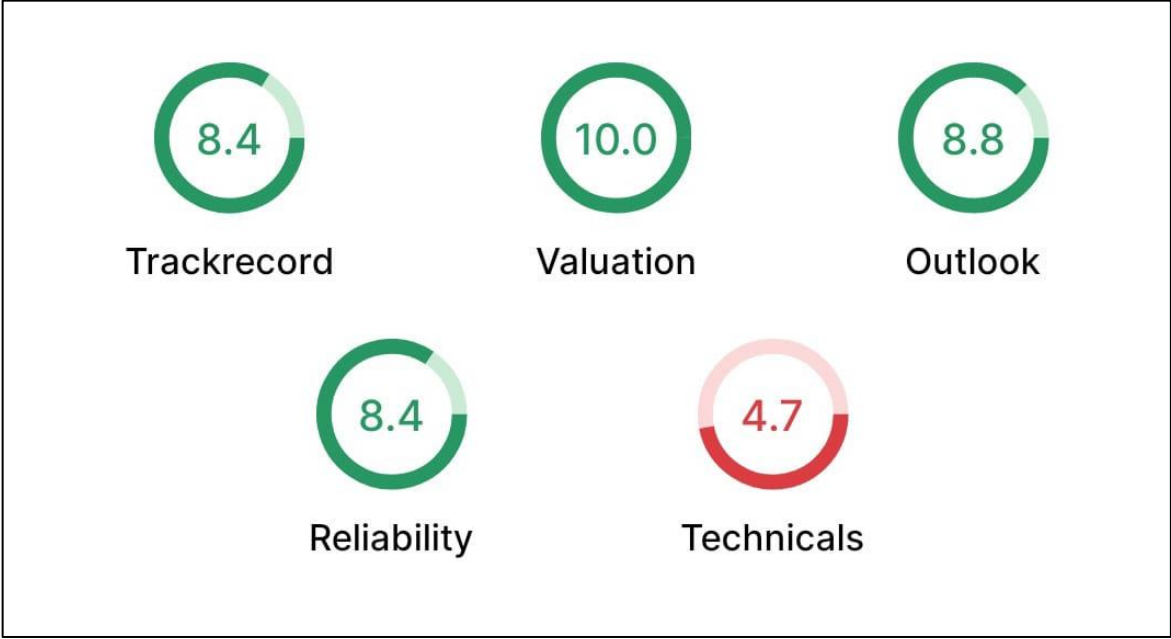
Valuation Metrics

Stock PE	: 46.87x
Historic PE	: 19.79x
Segment PE	: 54.50x
TTM EPS (INR)	: 16.43 (₹)

Consensus Estimates

IN INR Cr	FY25	FY26E	FY27E
Revenue	4,674.8	5,239.6	5,858.8
YOY Growth %	9%	12%	12%
PAT	1314.7	1451.0	1640.4
YOY Growth %	18%	10.4%	13.1%
EPS (IN INR)	16.4	18.1	20.5

Exhibit 1: Finkhoz’s Evaluation out of 10

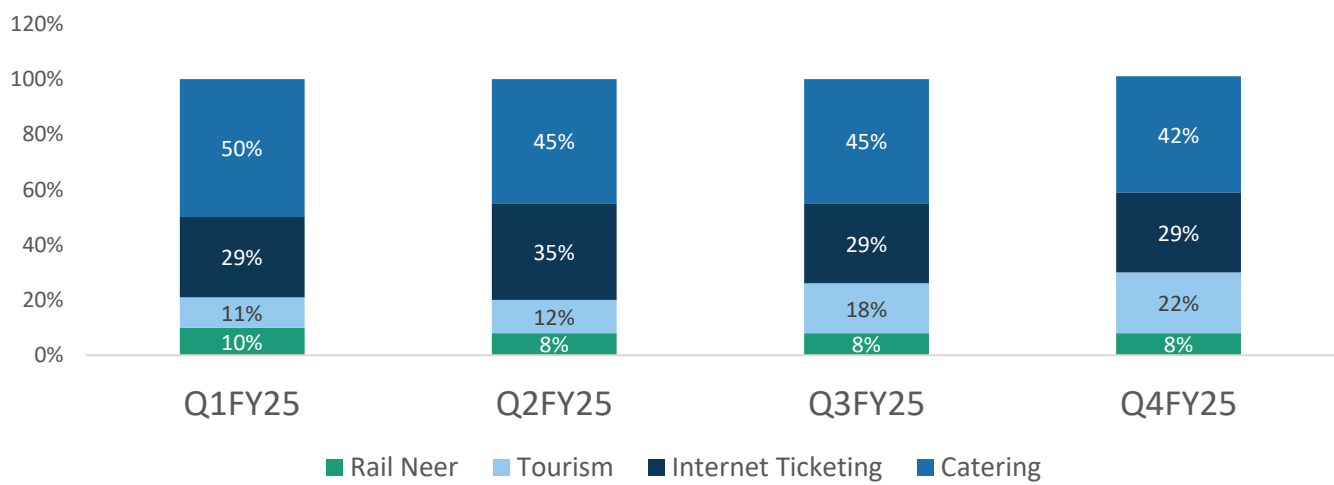


Analysis

Track record	Robust
Valuation	Strong
Outlook	Healthy
Reliability	Robust
Technical	Moderate

As per Finkhoz ratings, IRCTC demonstrates strong fundamentals with consistent sales and profit growth, reflected in its Track Record Score of 8.4. The stock is attractively valued with a Valuation Score of 10.0. It offers solid future growth potential, earning an Outlook Score of 8.7, and maintains a stable ownership structure and steady returns, resulting in a Reliability Score of 8.4. However, the recent stock performance has been weak, with a Technical Score of 4.7 due to weak returns over the past year.

Exhibit 2: Product-wise Revenue Breakup FY25



Q4 FY25 Result Update:

IRCTC delivered a strong operational performance in Q4 FY25, reporting revenue of ₹1,269 crore, reflecting a 10% year-on-year growth. For the full financial year, operating revenue reached ₹4,675 crore, up 9.73% YoY, while Profit After Tax (PAT) rose 18.3% to ₹1,315 crore.

The Internet Ticketing segment remained the most profitable, generating ₹372.5 crore in Q4 with an impressive margin of 82.4%. Tourism revenue surged 38.17% YoY to ₹274.4 crore. Catering and Rail Neer contributed ₹529.4 crore and ₹92.2 crore, respectively. E-catering witnessed strong growth, with revenue increasing 63% YoY to ₹54 crore.

However, two areas warrant attention: the rise in receivables from FY22 ₹572 crore to ₹1,734 crore in FY25 over the past three years, and an exceptional gain of ₹48 crore in FY25, both of which may raise concerns about financial sustainability

Exhibit 4: Revenue trend (In ₹ Cr.)

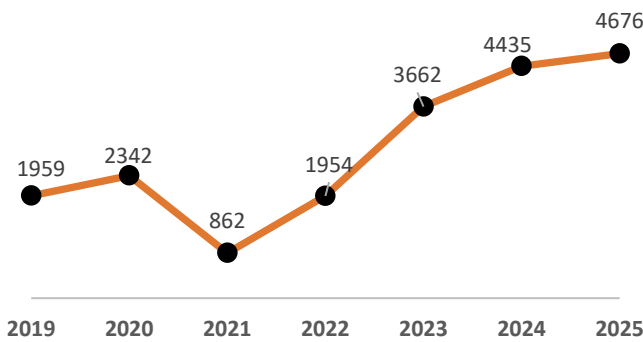


Exhibit 5: QoQ Revenue trend (In ₹ Cr.)

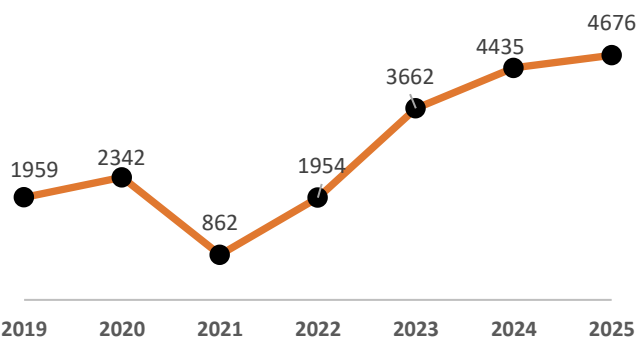


Exhibit 6: Net profit trend (In ₹ Cr.)

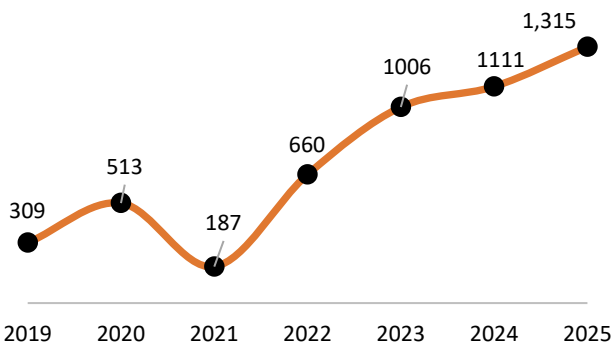


Exhibit 7: QoQ Net profit trend (In ₹ Cr.)

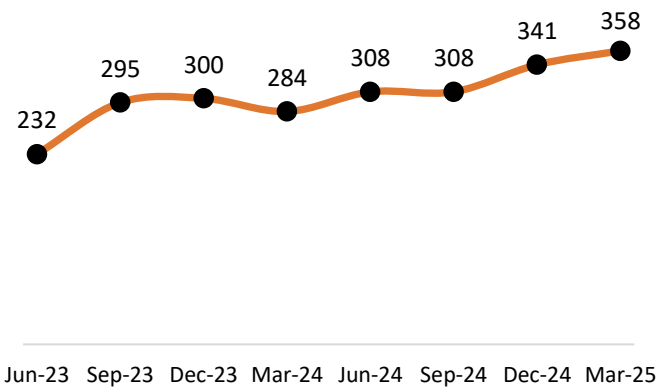


Exhibit 8: EBITDA Margin Trend (%)

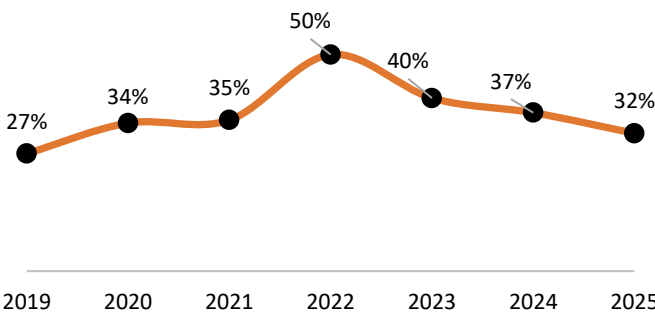


Exhibit 9: QoQ EBITDA Trend (In ₹ Cr.)

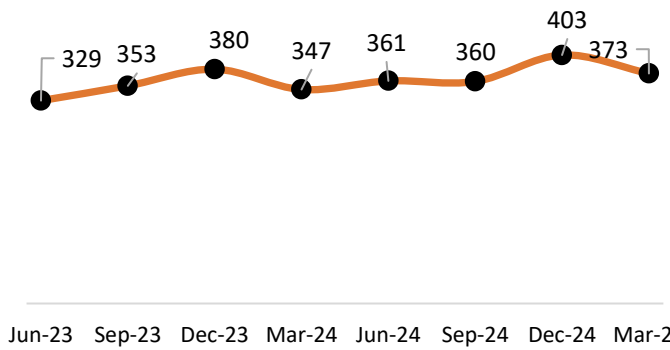


Exhibit 10: Shareholding Pattern

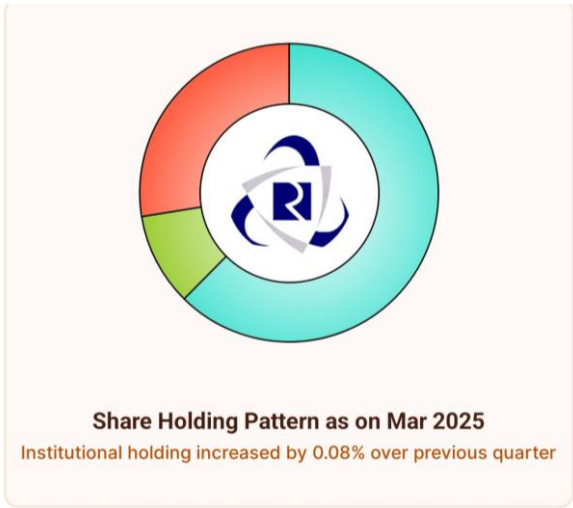
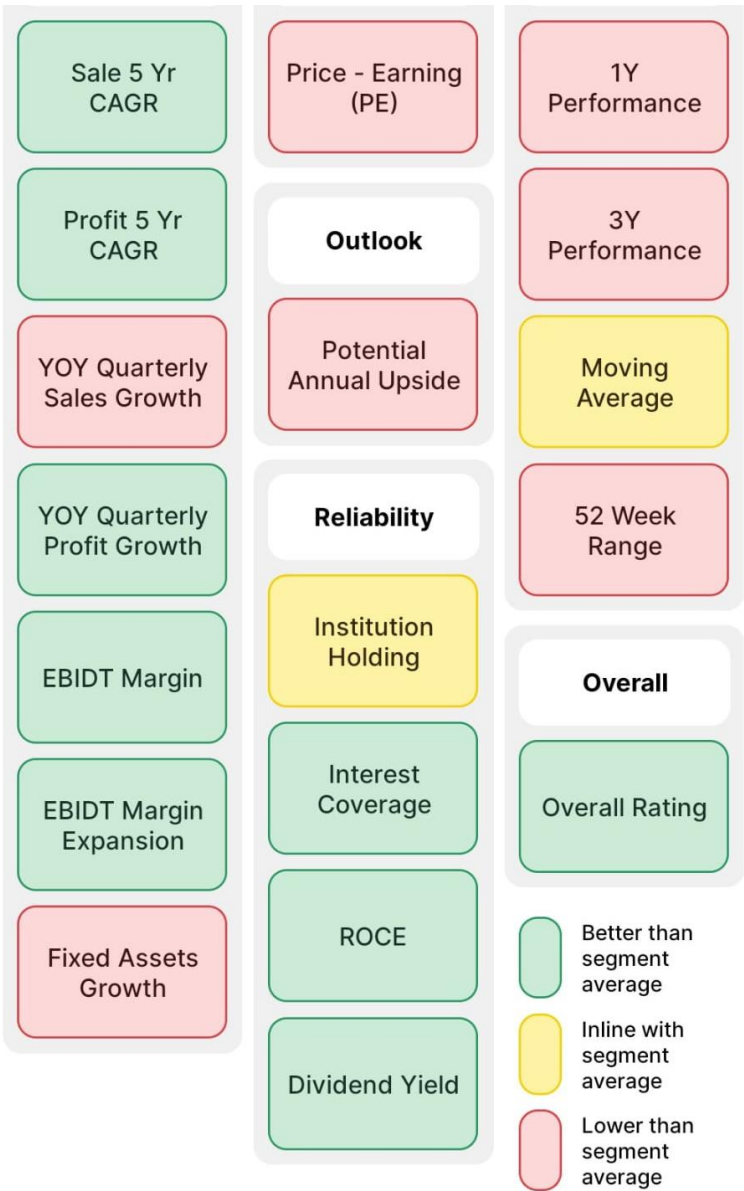


Exhibit 11: Share-holders with > 1%

MORE THAN 1%		% STAKE HOLDING
The President Of India		62.40%
Life Insurance Corporation Of India		10.04%
Others		27.56%

Exhibit 12: Performance compared to peers in the segment



Top Peer Comparison: Performance & Valuation

Name	Market Cap (Rs. Cr.)	P/E (TTM)	EV/EBITDA	ROCE (%)	ROE (%)	Sales 5Yr CAGR (%)	OP Growth TTM (%)	NP Growth TTM (%)
IRCTC	61,560	48.0	33.4	49.0	37.2	35.5	33.2	18.40
BLS Internat.	15,261	30.0	20.6	32.9	34.6	37.2	28.7	13.28
TBO Tek	14,217	64.9	37.9	26.4	25.2	53.2	15.8	14.43
Thomas Cook (I)	7,690	29.7	11.4	18.6	12.0	62.8	5.9	-4.80
Le Travenues	7,123	125.4	77.8	13.6	10.5	34.1	7.9	-17.81
Easy Trip Plann.	3,856	35.9	23.1	20.9	16.2	35.6	24.7	5.83
Median		35.9	23.1	20.9	16.2	37.2	15.8	5.8

IRCTC showcases strong financial performance, with a net profit margin of 18.5%—the highest among its industry peers. In FY25, it delivered an impressive Return on Equity (ROE) of 37.2% and Return on Capital Employed (ROCE) of 49.0%, both higher the sector average.

On the valuation front, although the stock trades at a Price-to-Earnings (P/E) ratio of 48.0x—higher than the peer average of 35.9x—its profitability metrics suggest it may still be undervalued. Given its strong margins and returns, the stock holds potential for future appreciation based on our valuation assessment.

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