

## 1. VERDICT & BUSINESS QUALITY SNAPSHOT

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*The punchline. Read this first — it frames everything below.*

**Result:** Strong Beat **One-line:** IRCTC delivered its highest-ever quarterly revenue and PAT, driven by a seasonal surge in high-margin Tourism (19% EBITDA) and a structural jump in Catering (+19% YoY) as the Vande Bharat rollout begins to scale.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	Revenue of ₹1,449 Cr and PAT of ₹394 Cr significantly exceeded Q2FY26 levels (₹1,146 Cr / ₹342 Cr).	☐
Earnings Quality	High (Core driven)	Growth is volume-led (14.64 lakh tickets/day) and mix-led (Tourism margin expansion to 19%).	☐
Guidance Confidence	Strong	Management re-iterated 15% sustainable growth and provided a concrete pipeline of 260 Vande Bharat trains.	☐
Management Credibility	Neutral	While operational data is transparent, the Payment Aggregator license timeline was pushed from January to August 2026.	☐
Business Quality Signal	Improving	The 85% EBITDA margin in Internet Ticketing remains a fortress; Tourism has transitioned from a drag to a profit engine.	☐
Key Q&A Exchange	Q# 14: Unit Economics	Vande Bharat (prepaid) is structurally superior to Mail/Express (postpaid) due to volume certainty and higher revenue share.	☐
The Street's Primary Anxiety	Cannibalization	Mgmt clarified that Swiggy/Zomato e-catering complements rather than cannibalizes onboard sales (+25% e-catering growth).	☐
Capital Cycle Stage	Expansion	Investing in 4 new Rail Neer plants and a Unified Travel Portal for cross-selling.	☐
Margin / Return Ratio Trajectory	Improving	EBITDA margins at 32.1% are healthy despite a higher mix of lower-margin Catering revenue.	☐
Pricing Power	Stable	Convenience fees are fixed, but "Non-convenience" revenue (Ads/Loyalty) grew 26%, showing monetization of the user base.	☐
FCF Conversion & Quality	Distorted	High receivables (noted in prior context) remain a backdrop, though not updated in this specific transcript.	☐
Competitive Moat Signals	Widening	UPI share crossed 50%; online ticketing penetration is stable at a dominant 89%.	☐
Balance Sheet Strength	Strong	Cash-rich position enables internal funding of Rail Neer and IT infrastructure expansions.	☐
Working Capital Efficiency	Stable	Inventory for Rail Neer and Catering is managed well, but DSO remains the key variable.	☐
Mgmt Guidance Track Record	Reliable	Delivered on the promise of scaling Tourism; Catering growth accelerated as predicted.	☐
Key Vulnerability / Red Flag	Regulatory Timelines	RBI's extension of the Payment Aggregator document submission to August 2026 delays the fintech pivot.	☐
Management Tone	Confident	Focused on "geometric progression" once licenses are secured and "win-win" digital integrations.	☐

**Sentiment:** ☐Positive

**Key Takeaways (Positives & Negatives):** \* **Positives:** IRCTC has successfully moved past the stagnant growth phase of FY25. Catering is now a high-growth engine (+19.1% YoY) fueled by 40 new train introductions, including 19 Vande Bharats. Tourism has achieved a major margin breakthrough (19% EBITDA vs 7% in Q2), proving the luxury (Maharaja) and religious (Bharat Gaurav) segments are reaching efficient scale. Ticketing remains the cash cow with 85% margins and increasing "non-convenience" monetization (Ads +26%). \* **Negatives:** The "Fintech" thesis is on a slower track as the RBI application deadline was extended by 7 months. Catering margins are slightly dilutive to the group average due to Vande Bharat's higher license fee/GST structure, though the absolute profit contribution is significantly higher. \* **Street Concern:** Analysts were

concerned about the impact of the new Labor Code and e-catering competition. Management dismissed both, citing high volume growth as a natural hedge and a "win-win" relationship with platforms like Swiggy. \* **Forward Watchpoint:** The rollout pace of the remaining ~240 Vande Bharat train sets and the launch of the "Unified Portal" to capture the massive cross-selling opportunity (currently only 10k transactions/day vs 1.6m tickets).

## 2. BUSINESS PERFORMANCE

### 2A. KEY METRICS

DATA SOURCE: PPT not available — all numbers sourced from concall transcript.

Metric	Current Qtr (Q3FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (₹Cr)	1,449.00	+18.2%	+26.4%	↑	Highest ever revenue; driven by all segments.
EBITDA (₹Cr)	465.00	+11.5%	+15.1%	↑	Absolute growth strong; Tourism margin flip helped.
EBITDA Margin %	32.1%	↓ (vs 34.0%)	↓ (vs 35.2%)	↓	Impacted by higher share of Catering revenue.
PAT (₹Cr)	394.00	+15.5%	+15.2%	↑	Driven by operational efficiency and ticketing.
Ticketing Vol (Lakh/day)	14.64	+7.7%	+0.7%	→	Steady growth; Daily avg vs 13.59L last year.
UPI Share (%)	50.18%	+332 bps	+37 bps	↑	Crossed the 50% threshold for the first time.
Non-Convenience Rev (₹ Cr)	150.00	+26.0%	+11.9%	↑	Strong growth in Ads and Loyalty programs.
Rail Neer Vol (Lakh bottles/day)	12.68	Not in doc	Not in doc	→	Target remains 2 million bottles/day.
Tejas Occupancy (Lucknow)	69%	Not in doc	Not in doc	→	Ahmedabad occupancy remains over 100%.
Net Debt / (Cash)	(Cash Rich)	→	→	→	No debt; funded by internal accruals.

### 2B. SEGMENT BREAKDOWN

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
Internet Ticketing	401.00	+13.2%	85.0%	→	Much Higher	Convenience fee: ₹251 Cr; Non-conv: ₹150 Cr.
Catering	661.00	+19.1%	Not stated	↑	Lower	Vande Bharat billing increased by ₹70 Cr.
Tourism	289.00	+29.0%	19.0%	↑	Lower	Maharaja Revenue grew 39%; Bharat Gaurav 51%.
Rail Neer	98.00	+6.5%	Improved	→	Lower	Capacity expansion planned at 4 new sites.

### 3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue	15% sustainable growth for the full year.	On track; 9M performance is robust.	Reliable	Low
Guidance	Volume	260 Vande Bharat trains to be introduced.	Multi-year rollout; requires ~60-80 trains/year.	On-track	Medium
Guidance	Capacity	25-30% increase in Rail Neer capacity in 1.5 years.	New plants at Mysore, Prayagraj, etc.	Consistent	Low
Guidance	Fintech	Document submission for PA license by August 2026.	Binary event; deadline extended by RBI.	Delayed	High
Strategy	Digital	Launch of "Unified Portal" for cross-selling.	UI/UX development underway with tech partner.	New	Low
Balance	Costs	Labor code impact to be "not major."	Assessment ongoing; volume growth to offset.	Unverified	Medium

## 4. ANALYST Q&A

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Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	4.5	Jinesh Joshi / PL Capital	Catering	Business Overview	"Highlight the reasons behind the 19% growth in catering and talk about the margin impact from Vande Bharat."	Management attributed growth to 40 new trains and noted that while Vande Bharat adds ₹70 Cr in billing, margins are lower due to higher license fees and 5% GST. This confirms that Vande Bharat is a revenue-heavy but margin-dilutive segment for IRCTC's group EBITDA.	Exact margin %	4.5	Clear trade-off
2	4.0	Jinesh Joshi / PL Capital	Catering	Management Commentary	"How many new trains are expected in '27 and '28 for catering growth?"	Management cited the Ministry's announcement of 260 Vande Bharat train sets currently in the pipeline. This provides high visibility for sustained high-teens growth in the Catering segment over the next 24-36 months.	Yearly rollout schedule	4.0	High visibility
3	5.0	Jinesh Joshi / PL Capital	Ticketing	Financials	"What was the ticketing volume, UPI share, and breakdown of convenience vs non-convenience revenue?"	Ticketing volume reached 14.64 lakh/day with UPI at 50.18%; Convenience revenue was ₹251 Cr and Non-convenience was ₹150 Cr. The growth in non-	None	5.0	Quantified

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						convenience (ads/loyalty) is the primary driver for high-margin ticketing growth.			
4	4.0	Kashish Mehta / Dolat Capital	Fintech	Management Commentary	"What are the timelines for the Payment Aggregator license and strategic business drive?"	RBI has extended the document submission deadline to August 2026, and a tech service provider has been engaged. This pushes the monetization of I-Pay as a third-party payment gateway into late FY27.	None	4.0	Specific timeline
5	3.5	Kashish Mehta / Dolat Capital	Rail Neer	Capex and Allocation	"What are the timelines and capacity expansion for the 4 greenfield Rail Neer projects?"	IRCTC is doubling capacity at Danapur/ Ambarnath and adding 4 new plants (Mysore, Prayagraj, etc.) to increase total capacity by 25-30% in 1.5 years. This ensures Rail Neer remains a volume-led growth contributor.	None	5.0	Quantified
8	3.0	Harsh Yadav / Dolat Capital	Catering	Business Overview	"Is the Amrit Bharat station scheme upgrades impacting static catering units?"	Projects expanded from 543 to 563 stations despite the upgrade works. This indicates IRCTC is maintaining its	Revenue per station	3.0	Directional

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						footprint at stations even during large-scale redevelopment.			
9	4.0	Harsh Yadav / Dolat Capital	Governance	Financials	"What is the potential quantum of liabilities from the new labor code impact?"	Management is examining the impact (gratuity at 1 year vs 5) but believes volume growth will compensate for any increased costs. This is a potential cost overhang that needs monitoring in Q1FY27.	Quantum of liability	2.5	Vague
12	3.5	Harsh Yadav / Dolat Capital	Digital	Business Overview	"Does Swiggy/ Zomato integration cannibalize onboard pantry sales?"	Management stated e-catering grew 25% and "basic catering" also increased, describing it as a "win-win" situation. This suggests that third-party delivery is expanding the total addressable market rather than stealing share.	None	4.0	Reassuring
14	4.5	Harsh Yadav / Dolat Capital	Catering	Business Overview	"How does Vande Bharat unit economics differ from standard express trains?"	Vande Bharat trains are "prepaid," providing volume certainty and higher revenue share compared to "postpaid" Mail/ Express trains where demand is uncertain.	None	5.0	High Insight

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						This confirms the structural advantage of the Vande Bharat rollout for IRCTC's bottom line.			
18	4.0	Rahul Jain / Dolat Capital	Tourism	Business Overview	"Can you give a breakup of the tourism revenue mix (Maharaja, Bharat Gaurav, etc.)?"	Maharaja grew 39% (₹53.14 Cr), Bharat Gaurav/State Tirth grew 51% (₹118.91 Cr), and Air Ticketing grew 41% (₹6.7 Cr). This proves the tourism growth is broad-based across luxury and mass religious segments.	None	5.0	Detailed
22	4.0	Rahul Jain / Dolat Capital	Ticketing	Financials	"Which specific part of non-convenience revenue has seen this growth?"	Marketing/Ads reached ₹24.78 Cr (vs ₹13.29 Cr) and Loyalty reached ₹21.88 Cr (vs ₹15.35 Cr). This verifies that IRCTC is successfully monetizing its digital real estate and user database.	None	5.0	Quantified
24	3.5	Athif	Tourism	Business Overview	"What is the current occupancy of Tejas Express?"	Lucknow Tejas is at 69% and Ahmedabad is at 109% (overbooked). The high occupancy in Ahmedabad suggests demand for private train operations remains strong	None	5.0	Specific

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						in specific clusters.			

**PATTERN FLAGS & SENTIMENT \* Theme: Vande Bharat Economics.** Analysts are deeply focused on how the new train sets impact the P&L. Management successfully pivoted the narrative from "margin dilution" to "revenue certainty," explaining that the prepaid nature of these trains eliminates the volatility seen in older Mail/Express contracts. **\* Theme: Monetizing the Database.** Questions on the "Unified Portal" and "Non-convenience fees" show the Street is looking for IRCTC to behave more like an OTA. Management's push on Ads (+86% YoY) and Loyalty (+42% YoY) signals they are finally executing on this digital mandate. **\* Analyst Sentiment Verdict:** Analysts were highly impressed by the Tourism turnaround and the sharp jump in Catering revenue. While the extension of the Payment Aggregator license was a minor disappointment, the operational beat in core segments outweighed it. The management appeared more "data-ready" this quarter, providing specific breakups for segments like Tejas and non-convenience fees, which has bolstered credibility.

## 5. WHAT CHANGED vs PRIOR QUARTER

vs prior quarter (Q2FY26)

What Changed	Prior Quarter	This Quarter	Direction
Tourism EBITDA Margin	7.0%	19.0%	↑
Catering Revenue Growth	+8.0% YoY	+19.1% YoY	↑
UPI Transaction Share	49.8%	50.18%	↑
Fintech License Timeline	Jan 2026 Submission	Aug 2026 Submission	↓
Non-Convenience Revenue	₹134 Cr (implied)	₹150 Cr	↑
Ticketing Volume	1.47m / day (9M avg)	14.64 lakh / day	→
Rail Neer Strategy	Capacity Expansion	4 New Greenfield Plants Named	↑
Tejas Haulage Status	Discounted/Profitable	Profitable (Ahmedabad 109% Occ)	↑

STOP HERE.