

**Quote by Shravan Shetty, Managing Director, Primus Partners**

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## **Railway shares extend rise on Budget optimism; IRCON, Raitel, RITES, Jupiter Wagons rise up to 10%: What lies ahead?**

*Analysts advised investors to use the current rally to book profits ahead of the Budget.*

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### **Article Content:**

Railway shares extend rise on Budget optimism.

Shares of most railway-related companies extended gains for the second consecutive session on Tuesday, tracking optimism ahead of the Union Budget and following the recent announcement of a revised passenger fare structure by Indian Railways.

Indian Railways on Friday announced a new fare structure, effective December 26, and said the move is expected to generate additional revenue of about Rs 600 crore in 2025-26.

Shares of Indian Railway Finance Corporation ended about 4 percent higher, while Rail Vikas Nigam Ltd (RVNL) gained around 3 percent.

**Jupiter Wagons**, IRCON International and RailTel Corporation of India settled higher by 5-8 percent. Titagarh Rail Systems, Ramkrishna Forgings, BEML, Texmaco Rail & Engineering and Container Corporation of India rose 1-3 percent.

Market experts, however, advised investors to use the current rally to book profits ahead of the Budget.

Sunny Agrawal, Head of Fundamental Research at SBI Securities, said the recent rally in railway stocks has largely been driven by Budget-related expectations. He said the upmove was initially triggered by the conversion of a preferential issue by the promoter of Jupiter Wagons, which led to a sharp rise in the stock and subsequently spilled over to other railway EPC companies.

Agrawal said SBI Securities prefers wagon-related businesses and views the current rally as an opportunity to book profits in railway EPC stocks such as IRCON, RITES and RVNL. Any further rise ahead of the Budget should be utilised for profit booking, he added.

Ruchit Jain, Vice President at Motilal Oswal Financial Services, said railway stocks had underperformed significantly over the past few months. He noted that some stocks were trading near long-term support levels and momentum indicators were oversold. This, coupled with a relief rally in the broader market in recent days, led to a pullback in railway stocks, Jain said.

Siddharth Maurya, Founder and Managing Director of Vibhavangal Anukulakara Pvt Ltd, said the rally was driven by a combination of factors, including pre-Budget positioning, policy optimism and company-specific developments.

He said sustained momentum would depend on Budget allocations for rail infrastructure and the pace of project execution, adding that the absence of strong follow-up could lead to consolidation rather than a sustained rally.

Shravan Shetty, Managing Director of Primus Partners, attributed the recent gains to the fare hike announcement. He said while railway stocks are not directly impacted by fare revisions, improved financial health of Indian Railways could accelerate capital expenditure and support revenue growth for wagon and infrastructure players. Shetty added that most railway stocks had declined on a year-to-date basis and the recent developments are helping them recover lost ground.

The passenger fares are likely to see further increases, according to reports.

Dr Ravi Singh, Chief Research Officer at Master Capital Services, said the outlook for railway stocks will largely depend on Budget support and clarity on execution. He said if capital expenditure meets expectations, the sector could see a more sustained recovery, but until then, momentum is likely to remain tactical and driven by pre-Budget commentary.

Naren Agarwal, CEO of Wealth1, said policy-led spending has resulted in a strong pipeline of new orders across rolling stock, signalling systems, Vande Bharat trainsets, station redevelopment and dedicated freight corridors. He said most railway PSUs and ancillary companies are operating with record-high order books, offering multi-year earnings visibility.

Meanwhile, the benchmark indices snapped a two-day winning streak and ended the session in the red.

The Sensex dipped 42.64 points or 0.05 percent to settle at 85,524.84. During the day, it hit a high of 85,704.93 and a low of 85,342.99. The Nifty closed marginally up by 4.75 points or 0.02 percent to 26,177.15.

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