

# वार्षिक रिपोर्ट Annual Report 2013-14



IRCTC

इंडियन रेलवे केटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड  
(भारत सरकार का उद्यम-मिनी रत्न श्रेणी-I)

**Indian Railway Catering And Tourism Corporation Limited**

(A Government of India Enterprise-Mini Ratna Category-I)

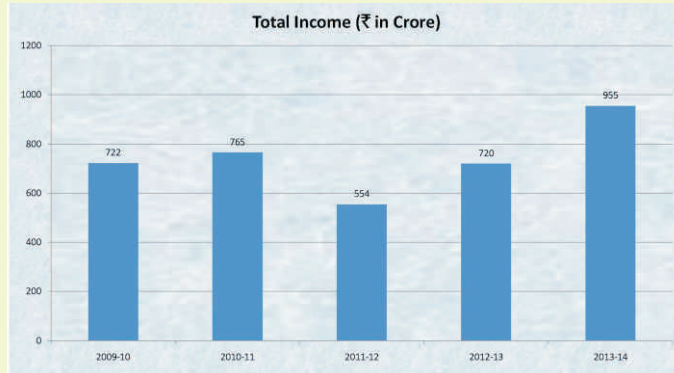
## दूरदृष्टि

विभिन्न श्रेणियों के ग्राहकों के लिए निरंतर उच्चस्तरीय ग्राहक संतुष्टि के साथ उच्च गुणवत्तावली यात्रा, पर्यटन और अतिथि-सत्कार संबंधी सेवाओं को उपलब्ध कराने के लिए अग्रणी भूमिका निभाना।

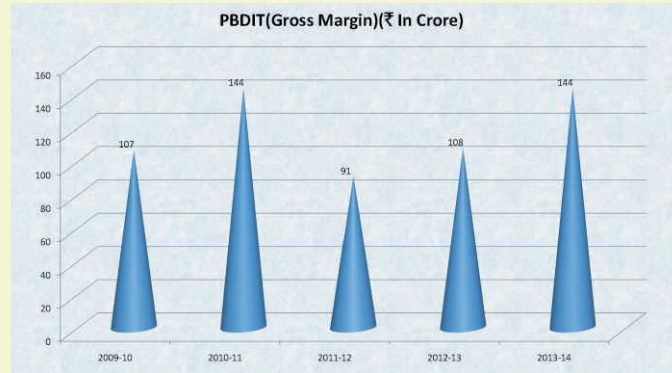
## VISION

To be the leading provider of high quality travel, tourism and hospitality related services a range of customer segments, with consistently high level of customer satisfaction.

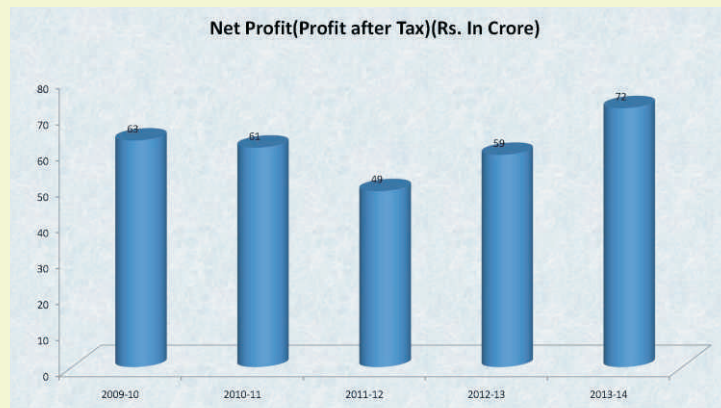
कुल आय (करोड़ ₹ में)  
Total Income (₹ in Crore)



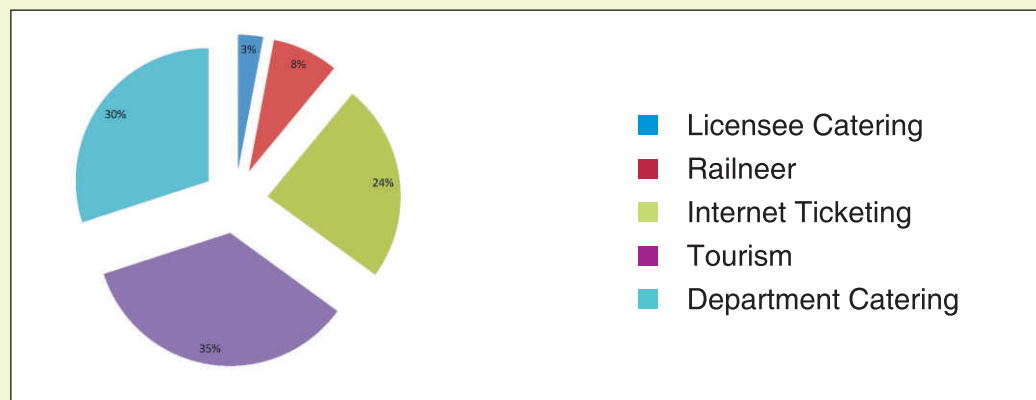
सकल लाभ (करोड़ ₹ में)  
PBDIT (Gross Margin) (₹ in Crore)



शुद्ध लाभ (कर के बाद लाभ) (करोड़ ₹ में)  
Net Profit (Profit after Tax) (₹ in Crore)



कुल आय-2013-14 का खण्डवार वितरण  
Segment-Wise Distribution of Total Income-2013-14





## निदेशक मंडल Board of Directors



**Shri Rakesh Kumar Tandon**  
Chairman & Managing Director  
(till 04.01.2014)

श्री राकेश कुमार टंडन  
अध्यक्ष एवं प्रबंध निदेशक  
(04.01.2014 तक)



**Shri M.P. Mall**  
Director (Finance)  
(Additional charge of CMD from 5.1.2014)

श्री एम.पी. मल, निदेशक (वित्त)  
(सीएमडी का अतिरिक्त कार्यभार 5.1.2014 से)



**Shri R.N. Kalita**  
Director (Catering Services)

श्री आर.एन. कलिता  
निदेशक (खान पान सेवाएं)



**Smt. Amritbir Kaur Brar**  
Director (Tourism & Marketing)

श्रीमती अमृतबीर कौर बरार  
निदेशक (पर्यटन एवं विपणन)



**Shri A. Madhukumar Reddy**  
Government Director

श्री ए. मधुकुमार रेड्डी  
सरकारी निदेशक



**Smt. Mani Anand**  
Government Director

श्रीमती मनी आनन्द  
सरकारी निदेशक



**Shri Sanjay Arora**  
Independent Director

श्री संजय अरोड़ा  
स्वतंत्र निदेशक



**Dr. Subhash Datta**  
Independent Director

डॉ. सुभाष दत्ता  
स्वतंत्र निदेशक



**Shri Alok Shivapuri**  
Independent Director

श्री आलोक शिवपुरी  
स्वतंत्र निदेशक



Inauguration of New-E-Ticketing System and Rail Neer Plant, Ambarnath (Mumbai) by Shri. D.V. Sadananda Gowda, Hon'ble Minister of Railways (13.08.2014)

श्री सदानंद गौड़ा, माननीय रेल मंत्री, नए ई टिकट प्रणाली तथा रेल नीर संयंत्र (मुंबई) का उद्घाटन करते हुए (13.08.2014)



Sh. R.N. Kalita, Director (Catering Services) receiving the 'World's leading Luxury Train Award 2013' by World Travel Awards in Qatar for "Maharajas' Express"

श्री आर.एन. कलिता, निदेशक (खान पान सेवाएं), कतर में, महाराजा एक्सप्रेस के लिए वर्ल्ड ट्रेवल पुरस्कार द्वारा "वर्ल्ड लीडिंग लक्जरी ट्रेन पुरस्कार 2013" लेते हुए



**INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**

**(A Government of India Enterprise-Mini Ratna Category-I)**

**Regd. & Corp. Office:**

11<sup>th</sup> Floor, B-148, Statesman House, Barakhamba Road, New Delhi-110001

Tel.: 011-23311263, 44168 (Rly.), Fax: 011-23311259



**IRCTC**

**Annual Report 2013-2014**

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## BOARD OF DIRECTORS

### Chairman and Managing Director

Mr. Rakesh Kumar Tandon (till 4<sup>th</sup> January, 2014)

Mr. M.P. Mall (L/A) (from 5<sup>th</sup> January, 2014)

### WHOLE-TIME DIRECTORS

Mr. M.P.Mall, Director (Finance)

Mr. R.N.Kalita, Director (Catering Services)

Mrs. A.K.Brar, Director (Tourism & Marketing)

### DIRECTOR (PART-TIME) (OFFICIAL)

Mrs. Mani Anand, ED (T&C), Railway Board

Mr. A.Madhukumar Reddy, ED(PM), Railway Board

### DIRECTORS (PART-TIME) (NON-OFFICIAL)

Mr. Sanjay Arora

Dr. Subhash Datta

Mr. Alok Shivapuri

## SUPPLEMENTARY INFORMATION

### Company Secretary

Mrs. Suman Kalra

### Statutory Auditors

Mr. Bhushan Bensal Jain Associates,

Chartered Accountants,

4658/21, Darya Ganj, New Delhi

## BANKERS

1. HDFC Bank
2. ICICI Bank
3. Bank of Baroda
4. Punjab National Bank
5. SBI & its Subsidiaries
6. Corporation Bank
7. Oriental Bank of Commerce
8. Syndicate Bank
9. Canara Bank
10. Bank of India
11. Union Bank of India
12. Andhra Bank
13. Indian Bank
14. IDBI Bank
15. Citibank
16. Axis Bank
17. Standard Chartered Bank
18. Yes Bank
19. UCO Bank
20. Vijaya Bank
21. Federal Bank
22. Karnataka Bank
23. IndusInd Bank
24. Kotak Mahindra
25. Central Bank of India
26. Bank of Maharashtra
27. Allahabad Bank
28. ING Vysya Bank
29. Karur Vysya Bank

### Registered & Corporate Office

11<sup>th</sup> Floor, Statesman House, B-148,  
Barakhamba Road,  
Connaught Place, New Delhi

### Internet Ticketing Centre

New Operations Center,  
Northern Railway Reservation Office,  
IRCA Complex, Chelmsford Road,  
New Delhi- 110 055

**Railneer Plant, Nangloi**

Northern Railway's Wireless Station Area,  
Opp. Nangloi Bus Depot, Rohtak Road,  
Nangloi, Delhi- 110 041

**Railneer Plant, Danapur**

Loco Colony, South R.P.F. Barracks,  
Khagul, Danapur - 801105 (Bihar)

**Railneer Plant, Palur**

Palur Railway Station,  
Taluk - Chenagalpattu  
Dist Kanchipuram,  
Tamilnadu-603101

**Central Kitchen**

Plot No. A60, Sector - 64,  
Noida - 301 201

**ZONAL OFFICES****North Zone**

Ginger Rail Yatri Niwas, Ground Floor,  
New Delhi Railway Station,  
Ajmeri Gate Side, New Delhi - 110 001

**East Zone**

Old Koilaghat Building,  
3, Koilaghat Street,  
Kolkata - 700 001

**West Zone**

2<sup>nd</sup> Floor, New Administrative Building,  
Central Railway, CST,  
Mumbai - 40001

**South Zone**

6A, The Rain Tree Place,  
9, Mc Nicolas Road, Chetpet,  
Chennai - 600 034

**South Central Zone**

2<sup>nd</sup> Floor, Am Classic Complex,  
Sarojini Devi Road,  
Secunderabad-500 071

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## TEN YEARS FINANCIAL HIGHLIGHTS

Sr. No.	Particulars	(₹ in crore)									
		2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011	2011-2012*	2012-2013*	2013-2014*
1	Total Income (including other income)	127.09	267.98	433.54	527.66	618.77	721.97	764.93	554.11	719.69	954.70
2	Expenditure (including increase/decrease in stock)	115.55	232.96	398.22	486.12	536.68	614.63	620.69	462.83	611.24	810.52
3	Operating Margin	11.54	35.02	35.32	41.54	82.09	107.34	144.24	91.28	108.45	144.18
4	Interest Expenses	0	0	0	0	0	0.03	0.30	0.00	0.00	0.00
5	Depreciation	3.61	3.39	5.32	8.28	10.10	12.55	14.15	14.74	16.04	16.77
6	Profit before Tax	7.93	31.63	30.00	33.26	73.85	94.76	129.79	76.54	92.41	127.41
7	Profit after tax	5.21	19.78	20.23	20.75	46.50	63.05	60.79	48.54	58.84	72.01
8	Dividend	1.00	4.00	4.00	4.15	9.31	12.61	12.16	9.71	11.77	14.40
9	Foreign Projects Reserve	0	0	0	0	0	0	0	0	0	0
10	General Reserve	2.50	14.00	12.00	16.00	35.00	45.00	45.00	35.00	35.00	35.00
11	Other Reserves	0	0	0	0	0	0	2.00	0.00	0.00	0.00
12	Reserve and Surplus	12.10	27.32	42.96	58.85	94.46	142.76	191.41	226.70	271.77	326.92
13	Net Fixed Assets(Gross Block)	25.33	31.01	41.61	61.38	76.36	126.84	135.18	178.76	203.12	213.52
14	Inventories	3.73	7.20	5.97	5.73	5.19	7.79	6.21	5.45	9.08	9.53
15	Foreign exchange earnings	0	0	0	0.45	30.85	13.48	13.27	12.53	11.06	11.80
16	Share Capital	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
17	Capital Employed	31.75	48.92	63.19	80.53	103.87	151.72	195.05	204.97	210.67	320.35
18	Government Investment	0	0	0	0	0	0	0	0	0	0
19	Net Worth	31.79	47.24	62.96	78.85	114.46	162.76	211.41	246.70	291.77	346.92
20	Profit before tax to Capital employed (in%)	24.98	64.66	47.48	41.30	71.10	62.46	66.54	37.34	43.86	39.77
21	Operating Margin to capital employed (in %)	36.35	71.59	55.89	51.58	79.03	70.75	73.95	44.53	51.48	45.01
22	Profit after tax to share capital (in%)	26.05	98.90	101.15	103.75	232.50	315.25	303.95	242.70	294.19	360.05
23	Expenditure to income (in %)	90.92	86.93	91.85	92.13	86.73	85.13	81.14	83.53	84.93	84.90
24	Number of employees	2146	5616	5246	4963	3780	2645	1934	1762	1,725	1,672
25	Income per employee	0.06	0.05	0.08	0.11	0.16	0.27	0.40	0.31	0.42	0.57
26	Foreign exchange earning per employee	0	0	0	0.00	0.01	0.01	0.01	0.01	0.01	0.01
27	Current Ratio	1.16	1.14	1.13	1.12	1.13	1.13	1.22	1.23	1.20	1.45
28	Debt/ Equity Ratio	0	0	0	0	0	0	0	0	0	0
29	Investments	0	0	0	0	2.50	2.50	0	0	0	0

\* Figures are as per Revised Schedule VI format of Balance Sheet

**15th Annual General Meeting of IRCTC  
Chairman's Speech**

*Distinguished Shareholders,*

On behalf of the Board of Directors of Indian Railway Catering and Tourism Corporation Limited (IRCTC), it is my pleasure to extend a very warm welcome to each one of you on the occasion of the Fifteenth Annual General Meeting of the Company. I would like to convey my sincere gratitude to all of you for sparing your valuable time to be with us on this extremely important occasion for the Company.

The overall performance of your Company in 2013-14 has been commendable which can be gauged from the audited financial statements and Directors' Report for the financial year 2013-14, which are before you, and I assume them to be taken as read.

Through my address, I would like to highlight some salient features and also the emerging scenario of your Company.

**Financial Highlights**

During 2013-14, you would be pleased to know that your Company achieved a total income of ₹ 954.70 crore, as compared to ₹ 719.69 crore in 2012-13 thereby registering a growth of 32.66%. Gross Profit was achieved at ₹ 127.41 crore as compared to ₹ 92.41 crore in the previous year 2012-13. Also, the Net Worth of the Company reached ₹ 346.92 crore as on 31.3.2014 as compared to ₹ 291.77 crore as on 31.3.2013.

Your Board of Directors has recommended a Final Dividend of ₹ 14.40 crore (20% of net profit) excluding dividend tax for the financial year 2013-14, as against ₹ 11.77 crore paid in the previous year, which works out to be 72% of paid up Equity Share Capital of the Company.

Due to the sound accounting practices established in the Company, IRCTC received 'NIL' comments during the supplementary audit on audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2014 from the C&AG.

**Segment-wise Operational Performance:**

I wish to take this opportunity to brief the members present about the segment-wise performance of the Company during 2013-14.

**1. Catering & Hospitality:**

During the year 2013-14, your Company's revenue from licensee catering increased to ₹ 26.89 crore as against 21.44 crore in the year 2012-13. Revenue from licensee catering increased to ₹ 280.83 crore as against ₹ 241.15 crore in the year 2012-13 and revenue from Non-Railway catering units increased to ₹ 37.41 crore as against ₹ 21.44 crore in 2012-13.



For the first time, IRCTC started managing the Catering Services of Election Special Trains. The Election Special Trains were dedicated for the movement of Central Paramilitary Forces through the length & breadth of the country for the purpose of deployment of Forces for conduct of the General Elections. IRCTC, in close coordination with Ministry of Home Affairs (MHA), CRPF Head Quarters and Control Offices, managed the Catering Services for Election Special Trains and the splinter coaches. You will be pleased to know that "Indian Restaurant Congress" has conferred an award to IRCTC for this excellent initiative during its annual convention held in August 2014.

## **2. Rail Neer:**

At present, your Company has three operational Rail Neer Plants at Nangloi, Danapur and Palur. The total production of Rail Neer plants was 10.98 crores bottles during the year 2013-14 as against total production of 10.45 crores bottles in previous year. During the year, the Company achieved a turnover of ₹ 88.17 crores for this segment.

During the year, the Company established another Rail Neer Plant at Ambarnath and the commercial production of same has started in August, 2014 and low weight preform and caps have been introduced for the new design bottle at Ambarnath. Further, work of setting up a 500 ml line has been completed at Rail Neer Plant, Nangloi.

## **3. Travel & Tourism:**

Your Company made significant progress in Travel and Tourism segment of the business. During the year, the tourism segment generated an income of ₹ 324.14 crore as compared to ₹ 188.71 in previous year thereby registering a growth of 71.77%.

Your Company got permission of the Ministry of Finance to book tickets for Ministries/ PSUs and other autonomous bodies for Corporate travel. This has bestowed on IRCTC the onerous responsibility to function as the third Company to provide these services. During the year, IRCTC has provided Corporate Travel services to 35 PSUs, 20 Ministries and other customers also.

During the year, IRCTC has operated 47 special trains with the co-ordination of Indian Railways for the movement of paramilitary forces across India for Parliament Elections 2014 and in all a total of 234 trains were operated by your Company till May 2014.

The Company added another feather to its cap in the avenue of Outbound & Domestic Air Packages. The number of passengers served during the FY 2013-14 were 600 as against 218 during the previous year.

## **4. Internet ticketing:**

Internet Ticketing has emerged as one of the largest e-commerce sites in the entire Asia Pacific region with an exponential growth. On an average, more than 3 lakh tickets are sold through IRCTC's website in a day with a peak load of 5.84 lakh tickets in a day. During the year 2013-14, this segment of your Company registered an income of ₹ 228.49 crore from E-ticket Service charge as



against ₹ 187.94 crore achieved during year 2012-13 thereby registering an increase of 21.58 % over previous year.

During 2013-14, your Company commissioned a Journey Planner and trial version of Next Generation E-Ticketing System (NGeT) was successfully launched by Hon'ble Minister of Railways on 13<sup>th</sup> August, 2014.

## **5. Looking forward**

For ensuring better future performance, IRCTC is poised to capture new opportunities in Railway and Non Railway Segments to sustain high level of performance. IRCTC is keen to penetrate its financial and non-financial resources through the sustained efforts and initiatives in the field of Catering & Hospitality, Travel & Tourism, Internet Ticketing and Packaged Drinking Water (Rail Neer) by improving the quality standards of its product, enhancing the performance and strengthening the various services by upgradation, introduction of value added services and diversification into other areas like - Facility Management, Institutional Catering, Budget Hotels, Motels, Hospitality Institutes, E-Mart, Fine Dining outlets, Food Testing Lab, SMS based reservation, Air Ticketing, Tourism Packages, Multi functional Complexes etc.

## **6. Corporate Social Responsibility and Sustainability**

Your Company has implemented its Corporate Social Responsibility (CSR) & Sustainability policy with an aim to ensure that the company becomes a socially responsible corporate entity contributing towards quality of life of the society at large without compromising on ecological conditions. Some of the projects undertaken under this activity include, Use of Solar Energy at Food Factory Noida, Energy Audit of Major Load Centre, Promoting travel without printout of e-ticket. IRCTC had also undertaken many CSR projects for the protection of Environment, development of community, sanitation, education, health etc. Some of the projects include sponsoring education of children of poor widows, improving the livelihoods of rural by Development of a model village, providing medical aid to unreachable by Sponsoring Cataract surgery, Construction of Sulabh Toilet Complexes.

## **7. Corporate Governance**

The Company is committed to the highest standards of Corporate Governance. As required under the guidelines of Department of Public Enterprises, a separate section on Corporate Governance has been added to the Directors' Report and a Certificate regarding compliance of conditions of Corporate Governance has been obtained from a Practicing Company Secretary.

## **8. Acknowledgements**

I, on behalf of the Board of Directors of the Company would like to place on record the deep appreciation for the valuable guidance provided and services rendered by Shri Rakesh Tandon, the then Chairman and Managing Director of the Company and all the other predecessors.



Before I conclude, I would like to express my sincere thanks to our Shareholders, my colleagues on the Board of Directors, and to the Members and Officers of the Railway Board, for their valuable support and cooperation. I also place on record my appreciation of the good work done by all the employees of the Company. I also wish to express my gratitude to the Ministry of Tourism, Department of Public Enterprises and Zonal Railways for their unstinted support to the Company. I am confident that the Company will continue to get support and cooperation from all the stakeholders to set new landmarks.

**Sd/-**  
**(M.P.Mall)**  
**Director (Finance) and**  
**Chairman & Managing Director (L/A)**

**Place: New Delhi**  
**Dated: 11<sup>th</sup> September, 2014**

*(Note: This does not purport to form proceedings of this Annual General Meeting)*

**DIRECTORS' REPORT**

*Distinguished Shareholders,*

The Directors of your Company are privileged to present the 15<sup>th</sup> Annual Report on the performance, business and operations of your Company, along with the Audited Statement of Accounts, Auditors' Report and the Review of Accounts by the Comptroller & Auditor General of India for the financial year ended 31<sup>st</sup> March 2014.

Your Directors take immense pleasure to inform that the fiscal 2013-14 has been a year in which your Company has exceeded major performance parameters and excelled in its endeavours. During 2013-14, IRCTC scaled new heights and the performance highlights of the Company for the year in retrospect are detailed in the report.

**Integral Reports**

The "Management Discussion and Analysis Report", "Report on Corporate Governance", "Report on Corporate Social Responsibility (CSR) and Sustainability" form an integral part of this Directors' Report and have been placed as **Annexure "A"**, **"B"** and **"C"** respectively.

The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its business environment, vision and objectives, outlook, sectoral and segment-wise operational performance, its resources and systems, strengths, opportunities, constraints, risks and concerns, strategies, prospects, its internal control systems etc.

The Corporate Governance Report highlights the Company's philosophy on Corporate Governance and Key Value(s), composition of Board of Directors and its Committees, their details including a profile of Directors who joined the Board during 2013-14 and thereafter, attendance and remuneration of Directors etc, other relevant disclosures, CEO/CFO Certification and general information for share holders. It is supplemented by the following compliance certificates.

- (i) A Certificate signed by the Chairman and Managing Director (CEO) affirming receipt of compliance with the Code of Conduct from all Board members and Senior Management personnel during the year 2013-14 (placed at **Annexure "B-1"**) as per the guidelines of Department of Public Enterprises on Corporate Governance of May 2010;
- (ii) A Certificate from the Chairman and Managing Director (CEO) and Director Finance (CFO) with regard to authenticity of financial statements (placed at **Annexure "B-2"**) in accordance with the guidelines of Corporate Governance of DPE; and
- (iii) A Certificate of compliance of Corporate Governance signed by a practicing Company Secretary (placed at **Annexure "B-3"**) as per guidelines of Department of Public Enterprises on Corporate Governance.

The Corporate Social Responsibility (CSR) and Sustainability Report reflects the Company's CSR





and SD activities, Budget, expenditure and evaluation process etc.

## 1. FINANCIAL RESULTS

Important indicators of the financial performance of IRCTC during 2013-14 as compared to 2012-13 are mentioned below:

	(₹ in Crore)	
Particulars	2013-14	2012-13
Turnover	916.90	675.53
Total Income	954.70	719.69
Reserves & Surplus	326.92	271.77
Profit Before Tax	127.41	92.41
Profit After Tax	72.01	58.84
Net worth	346.92	291.77
<b>Appropriations</b>		
Proposed Final Dividend (including Dividend Distribution Tax)	16.85	13.77
Transfer to General Reserves	35.00	35.00
Transfer to CSR and other funds	0.29	0.16
Transfer to Sustainability Fund	0.00	0.02

### Total Income

During the year 2013-14, the Company achieved a total income of ₹ 954.70 crore, as compared to ₹ 719.69 crore in 2012-13 thereby registering a growth of 32.66%. The increase in income was achieved mainly due to rise in Tourism's revenue from ₹ 188.71 crore in FY 2012-13 to ₹ 324.14 crore in FY 2013-14, increase in revenue of Internet Ticketing from ₹ 187.94 crore in FY 2012-13 to ₹ 228.49 crore in FY 2013-14.

Profit before tax of ₹ 127.41 crore was achieved during the year 2013-14 as compared to ₹ 92.41 crore in the previous year 2012-13.

Profit earned by the Company has been appropriated in the following manner:

	(₹ in Crore)	
Particulars/Year ending	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Profit Before Tax	127.41	92.41
Provision For Tax	55.40	33.57
Deferred Tax	0.00	0.00
Profit after Tax	72.01	58.84
Profit brought forward	26.68	16.78
Transfer to Reserves	35.29	35.18
Dividend (Including Dividend Distribution Tax)	16.85	13.77
Profit carried forward to Balance Sheet	46.55	26.68

**Contribution to Revenue of Ministry of Railways**

During the year, the Company contributed a sum of ₹ 33.69 crore to the revenues of Indian Railways as against a sum of ₹ 28.19 crore during the previous year. Contribution to the revenue of Railways comprises of Haulage Charges, Concession fee, License fee, User Charges and Dividend. In addition to the above, tickets worth ₹ 15410 crore were booked during the year as against ₹ 12419 crore during the previous year through ticketing portal [www.irctc.co.in](http://www.irctc.co.in).

**Dividend**

The Board of Directors has recommended a final dividend of ₹ 14.40 crore (20% of net profit) excluding dividend distribution tax for the financial year 2013-14, as against ₹ 11.77 crore paid in the previous year.

**Capital Structure**

As on 31<sup>st</sup> March 2014, paid-up share capital of the Company remained at ₹ 20 crore. The Government of India through Ministry of Railways holds the entire paid up share capital of the Company and during 2013-14, there was no change in the paid-up share capital of the Company.

**Net Worth**

The Net Worth of the Company has increased from ₹ 291.77 at the end of previous year to ₹ 346.92 crore at the end of the current year.

**Fixed Deposits**

The Company has not accepted any deposits from the public during the year under review.

**Buy-back of shares**

The Government of India (Ministry of Railways) holds the entire paid-up share capital of the Company. The Company has not resorted to buy back of shares and accordingly there is nothing to report under section 217(2B) of the Companies Act 1956.

**2. OPERATIONAL PERFORMANCE**

The core activities of the Company along-with the segment wise operational performance during 2013-14 are detailed below:

- Catering & Hospitality;
- Internet Ticketing;
- Travel & Tourism;
- Packaged Drinking Water (Rail Neer).

**a. CATERING & HOSPITALITY:**

The business vertical of Catering and Hospitality is limited to Food Plazas, Food Courts and Fast Food Units on the Railways. During the year, the revenue from licensee catering business was



achieved at ₹ 26.89 crore and revenue from departmental catering also increased to ₹ 280.83 crore. IRCTC provides comprehensive Catering Services at various offices, ministries and Institutions and also provides/organises sophisticated professional catering services at high-end Events and functions.

The catering and hospitality segment of the Company is segregated into:

- a) Railway Catering & Hospitality:** Railway catering includes Departmental Catering, Mobile Catering, Static Catering like Food Plaza, QSFK & Janahar, Executive Lounges, Budget Hotels and Rail Yatri Niwases, Central Kitchen, Base Kitchen etc.
- b) Non Railway Catering (NRC) & Hospitality:** Non Railway Catering includes, Institutional Catering, Office Catering, Event Catering and Management, Facility Management, Guest House Management, Housekeeping services, Consultancy Services Food Courts, Kiosks etc.

The business segment of Departmental Catering generated an income of ₹ 280.83 crore in the year 2013-14 as compared to ₹ 241.15 crore in the year 2012-13. The NRC units contributed ₹ 37.41 crore to the total revenue in the year 2013-14 as compared to the ₹ 28.64 crore in the year 2012-13. The loss from Departmental Catering during the year 2013-14 has increased to ₹ 68.23 crore from ₹ 59.84 crore of previous year. The Company expects that with revision in the catering charges for Rajdhani/Shatabdi/Duronto trains, the losses may show a decreasing trend. However, privatization is a concern area for IRCTC as Ministry of Railways have started the process of privatization of IRCTC run departmental trains, which may result in lower turnover and higher losses in future.

Business segment of Licensee catering generated an income of ₹ 26.89 crore in the year 2013-14 as compared to ₹ 21.44 crore in the year 2012-13. At present, IRCTC has 37 mobile units (including 17 Duronto), 4 Base Kitchens, 14 Jan Aahars and 10 Refreshment Rooms after the complete transfer of licensee units and partial transfer of departmental units.

## **(i) Mobile Catering**

During the year, IRCTC handed over catering services of two Duronto trains viz. NZM-PUNE & NZM-ERS to Northern Railway. Ministry of Railways has recently advised that all Duronto trains would remain with IRCTC. IRCTC provided catering services in the first "premium train" introduced on Indian Railways in the month of December' 2013 and achieved the satisfaction level for quality of food at 76%, quantity of food at 81%, presentation of food at 82%, and staff behaviour at 92% making overall satisfaction level at 83%.

In addition to the above, IRCTC has also managed on board catering services in 6 pairs of Mail/Express trains through award of temporary license. About ₹ 8 Lacs were earned through temporary licensing upto Mar'14. Total License Fee quoted is about ₹ 67 Lacs.

IRCTC also awarded temporary licences for Six mobile units and earned licence fee of ₹ 66.33 lakh during 2013-14.

IRCTC operated 19 Durgam, 6 Rajdhani, 3 Shatabdi & 10 Mail/Express trains departmentally. The on board catering services in the departmental trains are being provided by professionally trained staff.

#### **(ii) Static Catering**

Regarding Static Catering, the licensee Catering units have been transferred and only 12 licensee operated units and 2 Cell Kitchens are with IRCTC which will also be transferred to Zonal Railways in due course.

IRCTC has set up Jan Ahaar Cafeterias at Railway Stations all over Indian Railways. The Jan Ahaars are being managed departmentally. Standard & Economy meals with "Ala Carte" menu items are being offered to the passengers in the Jan Ahaars. Currently, 14 Jan Ahaars are being operated by IRCTC. In order to reduce losses, the Jan Ahaars are being operated on NRC revenue model. 7 Refreshment Rooms are operating on NRC model and in addition to this, 146 more Minor Units (Stall, Trolleys etc.) are also being managed.

Total Revenue from Management of Jan Ahaar for 2013-14 is about ₹ 8.86 Cr and other Departmental static units is about ₹ 65.57 Cr.

#### **(iii) Food Plazas/Fast Food Units**

During the year, the Company commissioned 50 Food Plazas/Fast Food Units, making the total number of operational units to 157. As Food Plazas, Food Courts and Fast Food units are the only Railway catering business left with IRCTC, going ahead on the progressive path and with "focused approach", the Company has awarded 65 units at annual license fee of ₹ 9.96 crore during 2013-14.

#### **(iv) Executive Lounges**

Executive Lounge at New Delhi Railway station was taken over under Departmental management by Ministry of Railways. In accordance with the changed policy directives issued by Ministry of Railways, the Company invited tenders for 7 locations for Executive Lounges twice. However, in view of no response to the invitation of tenders as mentioned above, the matter is being pursued with the Ministry to review the policy.

#### **(v) Central Kitchen (ISO 22000:2005 certified)**

The Central Kitchen's present clientele are Corporates and Railways having share of ₹ 4.8 crore (being 38.84% of turnover) and Railways ₹ 7.5 crore (being 61.16% of turnover) respectively. The Corporate/Institutional Customers clientele of Central Kitchen of IRCTC includes Samsung, HCL, Tata McGraw-Hill, Supertech Limited, Aditya Birla, Lava Mobiles, Ameriprise Financial, Jaipuria Institute of Management and Kwality Cafe. At present, the Railway segment involves Rajdhani Snacks totaling about 5000 numbers on daily basis in addition to meal/dinner catering of Ahmedabad Rajdhani and Sealdah Durgam.



## **(vi) Base Kitchen**

IRCTC is operating 04 Base Kitchens (NDLS, HWH, RJPB & ADI) departmentally. The Base Kitchens supply food to Prestigious Rajdhani/Shatabdi/Duronto trains. The Base kitchens are ISO 22000:2005 certified and the meals are prepared by professionally trained staff. Regular inspections are being conducted for monitoring the food quality and also for ensuring the standards of meals prepared in the Base Kitchens. Ministry of Railways has revised the menu of Rajdhani/Shatabdi/Duronto trains in October' 2013.

## **(vii) Premium Trains**

As per the Railway Board's mandate, on board catering services of Premium trains launched with dynamic pricing fare structure is being managed by IRCTC. The Premium trains have been launched in December' 2013 and from March' 14, on board catering services have started with 22913-22914 BCT-NDLS Premium Special Train.

## **(viii) Election Special Trains**

For the first time, IRCTC managed the Catering Services of Election Special trains. The Election Special Trains were dedicated for the movement of Central Paramilitary Forces through the length & breadth of the country for the purpose of deployment of Forces for conduct of the General Election. IRCTC, in close coordination with Ministry of Home Affairs (MHA), CRPF Head Quarters and Control Offices, managed the Catering Services for Election Special Trains & the splinter coaches.

## **(ix) Non-Railway Catering**

During the year 2013-14, the Company commissioned 28 more additional NRC units taking the total to 62.

The Company has also taken a decision to consolidate NRC units across India and to retain only those units which has a turnover of more than ₹ 5 lakh on monthly basis.

Recognising the success achieved by the Company in Institutional Catering, initiatives have been taken to gear up on a pan India basis to composite hospitality solutions comprising of catering, housekeeping, laundry, horticulture, security, IT, front office management. IRCTC is keen to adopt Hospitality requirements empathetically. IRCTC takes care of the concept planning & Management, SWOT analysis, identifying, planning and designing Kitchen & Canteens, making them financially viable, high end service, and operation of the units in total transparency.

For further growth, expansion and diversification of the Company, IRCTC has signed MOUs with many prestigious Government Organizations such as Bokaro Steel Plant, Indian Oil Corporation Limited- Barouni, IITs- Patna, Sports Authority of India- Kolkata, Vidhan Bhavan-Mumbai, Medical college-Trivandrum, Wipro Technology-Ernakulam, Presidency University-Kolkata, University of Hyderabad-Hyderabad etc. for setting up of Food Outlets.



IRCTC has ventured in to retail format business by opening Food Kiosks at DMRC stations across Delhi-NCR. As on 31.07.2014, IRCTC had 63 operational Food Kiosks on DMRC network across Delhi - NCR. The kiosks are dispensing branded pre-packed food & beverages and pre-cooked food procured from IRCTC Central Kitchen Noida.

To ensure sufficient supplies at all these locations, IRCTC entered into agreement with Branded players such as M/s Pepsico Food Holdings, M/s Cadbury's, M/s Coca Cola Beverages, M/s Haldiram, M/s Dabur, M/s Redbull India, M/s Danon India Pvt Ltd, M/s Hector Beverages etc.

For packaged drinking water (PDW), Railneer is being supplied to all the locations. The entire MIS for these kiosks is IT based such as postterminals for billing & inventory with thermal printed bill. The operational monitoring is also done by CCTVs besides personal inspections.

### **Future Potential & Planning**

IRCTC strives to strengthen its Catering & Hospitality Business by taking various initiatives. Your Company has a team of experts especially trained to execute such projects as per the requirement of clients.

### **Railway Catering**

At present, IRCTC is operating 157 Food Plazas and Fast Food units over Indian Railways. The annual earning from these units is ₹ 24.23 crore. Another, 111 units are at the various stage of commissioning. The Company plans to commission around 40 units in 2014-15, which will give additional annual earnings of ₹ 5 crore. As announced in the Railway Budget 2014-15, Company plans to set up Food Courts on NDLS-ASR and NDLS-JAT section and provide e-catering through these Food Courts.

The Company plans to set up Food Courts at Andheri (Mumbai), New Delhi and Lokmanya Tilak Terminal Stations on Indian Railways. Further, 50 additional units are targeted to be awarded in next year with ₹ 10 crore of additional revenue.

Discussions are being held with Bikaner Division regarding taking up the management of Multi Functional Complex at Bikaner station. The structure has already been built by the Railways. Draft MoU has been sent to Railway authorities. The project will be under taken through PPP model on BoT basis.

### **Non-Railway Catering**

With more than 100% growth in Non Railway Catering segment during the year the focus will continue to explore new business avenues in this segment. Large corporate and big institutions are being targeted to generate more revenue and profits. Sites have been identified at various National Highways to set up "Eateries" for catering the needs of highway travellers. IRCTC is also entering into the field of providing composite hospitality solutions for guest house management by entering



into MOU with Government of West Bengal for managing the prestigious Banga Bhawan.

A number of future projects have been identified and are at various stages in the pipeline for non railway catering segment. Some of the major ones are Ministry of Power, Yojana Bhawan, Sanchar Bhawan, Nirman Bhawan, MCD Civic Centre, PGIMER, RML Hospital, Ministry of Road Transport and Highways, New Delhi, Grand Hotel, Shimla, Assam, Civil Secretariat Guwahati.

## **Executive Lounges**

Ministry of Railways has been approached to review the policy directives regarding tenure of Executive Lounge from present 5 years to 9+3 years. Action to set up Executive lounges by the Company will be taken accordingly.

## **Central Kitchen**

The endeavour is to create name in the corporate catering sector and to cover all major corporate houses/Institutions with in Delhi-NCR. This will be done through cold calls, print ads, electronic ads like yellow pages, Google ads and client references.

In addition to above, the capacity enhancement from 10,000 meals a day to 25,000 meals a day will be taken up to meet the large corporate sector demand in case the demand increase beyond current capacity.

## **Fine Dine**

It is proposed to start a Fine Dining Restaurant in Connaught Place area which will enhance the brand image of IRCTC as a premium catering organization. For this purpose, an EOI has been called for empaneling Consultants and the empanelment is in final stages. Upon empanelment, the suitable Consultant will be advised to set up and operating Fine Dining Restaurant Cum Bar.

## **E-Catering**

With the advancement in the mobile and internet technology, customer expectations have also increased with regard to information about catering preferences being complied with. IRCTC plans to include the option of E-Catering by utilizing its Fast Food Plazas network. While booking tickets, the passengers will be requested to indicate preferred food which will be supplied from any one of the many food Plazas. This will not only improve quality of food but also the food will be able to be given timely.

## **Event Management**

IRCTC being a Hospitality expert, proposes to utilize the large requirement of event management in the NCR area. This involves aggregation of various elements such as Catering, Stage Management, Audio Visual Presentations and Hospitality for an event. IRCTC will be acting as a single-window system Integrator, bringing various competencies at one place, thereby reducing the

efforts of clients, making it economical for them.

### **Quality Control Systems**

IRCTC stringently adheres to HACCP/ISO 22000 and quality standards with an in-house laboratory and R&D Centre at Central Kitchen/Noida. Another Laboratory with higher capacity is envisaged in Faridabad. This facility can cater to needs of Indian Railways as a whole.

### **Monitoring for HACCP compliance**

Senior officers having professional experience of providing catering services who have completed Lead Auditor course have been entrusted to monitor various Food Production Points to assure HACCP/ISO 22000:2005 compliance.

### **Monitoring System - Customer Satisfaction Survey**

In IRCTC, quality of Food & Service is assessed by conducting Customer Satisfaction Surveys through Third Party professional agencies. IRCTC has empanelled 5 such agencies for a period of 3 years.

During the year 2013-14, Duronto/Rajdhani trains as well as Food Plazas and Fast Food Units were covered under Customer Satisfaction Survey. Two rounds of surveys were done in Oct-Nov, 2013 and March, 2014 respectively. The overall score of Rajdhani was 73% in First round and improved to 82% in second round done. For Duronto trains, the first round score of 80% improved to 83% in second round.

Customer Satisfaction Surveys have also been conducted in Food Plazas/Fast Food Units during the year 2013-14. A total of 100 such units were covered over which an average customer satisfaction level was gauged at 80%.

### **Food Safety Audit**

Keeping in view the impact of food safety on public health, food safety audits have been conducted by IRCTC through Third Party agencies accredited by NABCB.

<b>Particulars</b>	<b>Number of units audited during 2013-14</b>	<b>Overall achieved score</b>
NRC Units	20	85.77%
Trains	13	78.34%
Food Plazas/FFUs	17	73.58%
Base Kitchen	09	69.77 %



## ISO Certification

The quality of catering services is being improved through various quality measures including ISO certification. During the year 2013-14, 41 Food Plazas/Fast Food Units were certified with ISO 22000:2005, taking the total number to 98 out of 152 licensee-operated units by March, 2014. During the year, 3 Departmental Base Kitchens and Central Kitchen, Noida got ISO 22000:2005 Certified.

## Complaint Monitoring and Action Taken

A total 1024 complaints were received from train passengers during the year 2013-14 as against 1128 during previous year 2012-13, having a reduction of 9.22%. The trains managed by IRCTC increased by 13.33% over last year.

With effect from January 2014, parameterization of complaints have been done to identify the root cause of complaints, focusing on multiple raised issues in a single complaint, providing roadmap for improvement, making correlation between complaint and the input provided etc.

Preventive and punitive actions have been taken based on the nature and seriousness of the complaint. All the complaints were addressed and methods such as penalizing service providers, D&AR action against staff, counselling and warning have been adopted at appropriate levels.

All complaints received through complaint books, from Railways and action taken thereon are recorded in CMS - a web based portal.

## Round the Clock Control Monitoring

In order to monitor the quality of catering services, Central Control has been set up at New Delhi which is fully equipped with Phone, Fax, PC with broadband connectivity and scanner for easy accessibility to passengers. National Toll Free number has been provided. The central control is operative round the clock. In addition, all the Zonal Offices also have Zonal control offices to monitor the quality of catering services. The control offices monitor catering operations and handle complaints telephonically on the spot to the satisfaction of complaint. In case of any abnormality of train operation, control offices inform all concerned service providers for making provision of catering services so as to avoid any public inconvenience.

Despite transfer of licensee catering units to Railways, control activity has not reduced since catering activities in departmental trains have increased.

The following activities have been added in working of Central control:

- Complaints recorded in trains, managed by IRCTC, are to be forwarded on daily basis to Railway Board.
- With effect from January, 2013, a Central Catering Monitoring Cell (CCMC) has been established in Railway Board, where-in passengers convey their complaints through a toll free telephone no. 1800-111-321. These complaints are to be redressed at the earliest, for which Central Control makes efforts to resolve the issue.

**3. INTERNET TICKETING:**

Internet Ticketing has emerged as one of the largest e-commerce sites in the entire Asia Pacific region with an exponential growth. It has increased from 27 tickets a day, the day on which it had started e-ticketing, (3<sup>rd</sup> August 2002) to maximum of 5,80,304 lakhs tickets booked on 19th March, 2014. On an average more than 3 lakh tickets are sold through IRCTC's website in a day with a peak load of 5.84 lakh tickets in a day. The website of your Company has become extremely popular and it has resulted in the benefits to individuals, Railways, Exchequer and society.

IRCTC provides tickets to the public in the comforts of their home/residence instead of visiting the Railway Reservation Centers for booking. The delivery of tickets is made either through the courier or a person can himself take the print out for travelling. By doing this, IRCTC is not only saving the time of the public but also saving their cost of travelling to these centers.

The Internet Ticketing Business is an outstanding example of how technology can render deliverable to common man through undeterred Internet Technology link to mobile telephony touching 850 Million subscribers likely by 2015. The national value added by this business cannot be understated.

Launching of Internet Ticketing by IRCTC as resulted in savings for Indian Railways on their infrastructure like buildings, air-conditioning, electricity, furniture, staff etc. The spirit behind the project was that instead of the customers going to Passenger Reservation System (PRS), the PRS should be brought to the customer.

The booking of railway tickets through internet is now available 24\*7\*365. The site remains closed only for 1 Hour i.e. from 23.30 Hrs to 00.30. Hrs. In order to make the system more user friendly, e-mail and SMS are sent to the customers on completion of successful booking of e- ticket with details of the e-ticket viz PNR, Tickets status, Fare charged etc.

Presently full fare tickets including Tatkal, Child tickets and tickets for senior citizens at concessional rates can be booked through the website. A nominal service charge of ₹10/- only per e-ticket in case of sleeper class(SL) and Second sitting(2S) and ₹ 20/-per e-ticket in case of all other classes(1AC,2AC,3AC,CC,3E,FC) irrespective of the number of passengers booked on an e-ticket is levied.

During journey on train, an e-ticket holder can present Voter Identity Card, Passport, PAN Card, Driving License, Photo Identity Card issued by Central/State Governments, Student Identity Card with photograph issued by recognized school/college for their students, Nationalized Bank passbook with photograph and Credit Card issued by Bank with laminated photograph as a proof of identity.

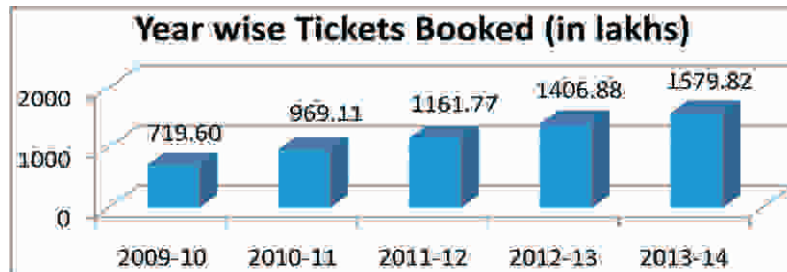




## Earnings:

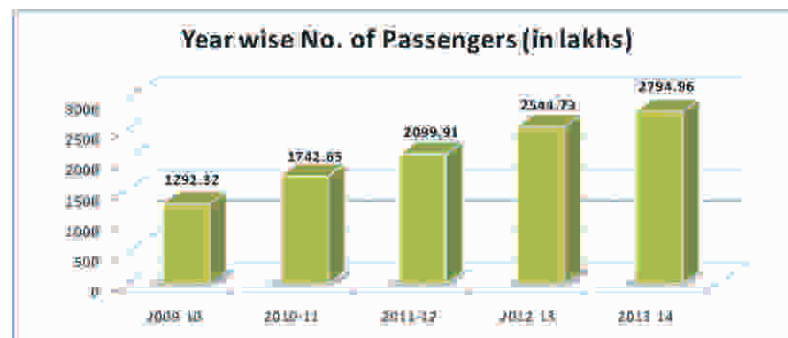
### a. No. of E-Tickets Booked:

Growth of e-ticketing on IRCTC website has been phenomenal since its launch in year 2002-2003. During the financial year 2013-14, 1579.82 lakh tickets have been booked, whereas during the last financial year 2012- 2013, it was only 1406.88 lakh. The growth details of number of tickets for last five years are as under:



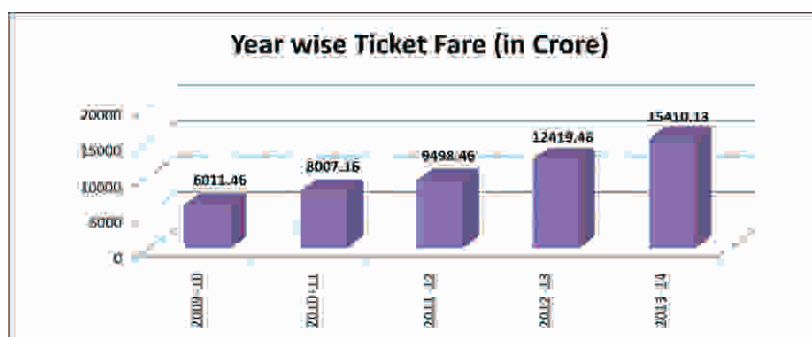
### b. No. of Passengers:

Growth in number of passengers booked for last five years has been as under:



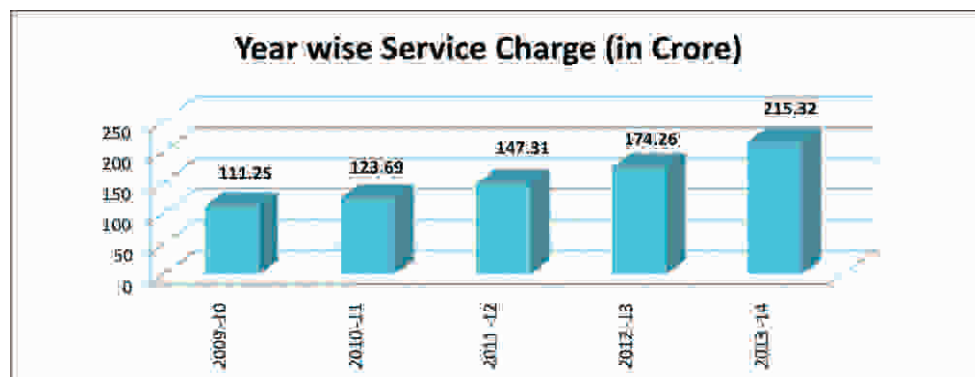
### c. E-ticketing Revenue Collection:

There has been tremendous growth in the revenue collection of train fare and service charge being collected from users at IRCTC website. During the year 2013-2014, a total of ₹ 15410 crore have been collected from the users. The year wise generation of E-ticketing revenue for last five years is shown below:



**d. Service Charge:**

IRCTC is collecting a nominal Service Charge of ₹10/- per ticket for non AC classes and ₹ 20/- per ticket for AC classes with Service Tax. The growth of Service Charge generated over the years as an revenue to IRCTC for last five years has been as under:

**New Initiatives taken during 2013-14**

- **E-Wallet:**

E-Wallet scheme under which user can deposit money in advance with IRCTC and can be used as payment option launched. E-wallet was launched during the year in which users can park their money with IRCTC and use it for booking tickets. The user will not be require to go to Bank/Payment Gateway at the time of booking ticket thereby saving time of booking and reducing chances of transaction failure. About 33,000 e-wallet accounts have already been created and six hundred tickets are being booked per day use this payment option.

- **Mobile Bookings:**

Mobile Internet is expanding rapidly in our country. In order to address need of this market segment, IRCTC has launched several products for booking tickets using mobile.

Microsoft Application: IRCTC launched Windows phone and Windows 8 Application in September 2013 in collaboration with Microsoft.

- **SMS booking:**

Passengers who do not have access to Internet are forced to go to Reservation Counters. In order to address the need of this segment of rail passengers, SMS booking service has been launched. In order to enable users who do not have access to Internet, booking on SMS/USSD was launched by Hon'ble MR on 28th June 2013. About 300 tickets per day are being booked through this service.

- **Launch of IRCTC Lite Website:**

To reduce the traffic and unnecessary hits during the peak hours, IRCTC has recently launched



"IRCTC Lite" during Tatkal period i.e. 10 AM to 12 PM. Every day, this service is now effective from 09:30 am. In this effort, IRCTC removed all the links, images, ads, services, features which are not helping or not required at the time of premium Tatkal ticket booking.

- **Launch of online booking of Retiring Rooms:**

IRCTC has launched online booking of retiring rooms at railway stations to facilitate passengers with a new channel, in addition to the existing one of manual booking at stations. For up to 24 hrs of occupying the retiring room, a service charge of ₹ 20 will be levied, while for more than 24 hrs up to 48 hrs, ₹ 40 will be the applicable service charge. For a dormitory bed, ₹ 10 will be charged for up to 24 hrs, while for more duration, ₹ 20 will be applicable.

Presently, the online booking service is available for the retiring rooms at 64 stations. Gradually the facility will be extended for other major stations at metro cities, tourist places and other important places.

- **Premium Trains with Dynamic Pricing:**

Railways have launched premium trains with dynamic pricing recently. Booking in these trains is done exclusively on website and no booking is done on counters. About 20 pairs of premium trains are running at present and booking is being done successfully on [www.irctc.co.in](http://www.irctc.co.in).

- **E-Retail:**

IRCTC has launched e-retail in association with Yebhi.com. About 500 transactions per day are being made on website.

- **ISO Certification:**

ISO Certification for existing e-ticketing site is in process. Consultant is working to assist in setting up of system based on which certification agency will grant ISO.

- **Next Generation E-Ticketing System (NGeT)**

E-ticketing today constitutes about 50% of total reserved tickets on Indian Railway. IRCTC has been continuously working to improve the software and augment supporting IT infrastructure at Data Centre to give improved services and booking experience to users.

IRCTC, CRIS and Railways have been working since year 2012 towards the launch of Enhanced E-ticketing System. A new state of the art Data Centre is being set up in CRIS premises at Chankayapuri, New Delhi for this system. The project is being implemented with technical aspects being handled by CRIS as per Railway Board guidelines. An investment of about INR 80 crore in first year is being made by IRCTC. All commercial aspects, customer care, bank integration and agreements will be handled by IRCTC. The service charge from e-ticketing will accrue to IRCTC.

**Key Features:**

- "Go Live" application of Next Generation E-Ticketing System (NGeT) launched on 28th April 2014.
- Capacity to book 7200 tickets per minute as against 2000 tickets per minutes of existing system.
- URL for e-ticketing shall be [www.irctc.co.in](http://www.irctc.co.in). It can be accessed through Indian Railway web portal also.
- The sale of e-tickets will continue to remain with IRCTC.
- Software developed by CRIS as per user requirement specifications given by IRCTC.
- E-ticketing software being developed on Open source platform to avoid vendor lock in.
- The software will be scalable and cater to continuous availability of website especially during opening hours of Tatkal and ARP tickets.
- Once all e-ticketing services are migrated from IRCTC site to the new e-ticketing site, e-ticketing application developed by CRIS shall be deployed in IRCTC existing Data Centre also.
- Customer Care Centre being managed by IRCTC.
- Bank/Payment Gateway agreements being entered by IRCTC.
- Media management being done by IRCTC.

**4. TRAVEL AND TOURISM**

Travel and tourism is the largest service industry in India. It provides heritage, cultural, medical, business and sports tourism. The main objective of this sector is to develop and promote tourism, maintain competitiveness of India as tourist destination and improve and expand existing tourism products to ensure employment generation and economic growth. IRCTC as a pioneer in this sector has established itself in providing a wide range of products and services to meet the requirements of different segments of tourists.

These include Bharat Darshan tourist trains, State Tirth trains, Educational Tours, Mahaparinirvan Express - Buddhist Circuit Special Train, Rail and Land Tour Packages, Chartered Trains & Coaches, RTP with Charter Trains & Coaches, Hill Charters, Luxury Tourist Train, Cab Rental Services, LTC service, Inbound & Outbound packages, On-line hotel booking services, Online Air ticketing, Corporate Travel Services and Maharajas' Express.

Travel & Tourism Business generated an income of ₹ 324.14 Crore in the year 2013-14 as compared to ₹ 188.71 crore in the year 2012-13 recording a growth of 71.77%. This includes revenue from Maharajas' Express.

**a. Bharat Darshan Tourist Train (Village on Wheels)**

IRCTC operates Bharat Darshan tourist trains for the budget segment where the traveler gets to see India at a price of ₹ 500/- a day plus the difference of revised trains fare (w.e.f. 21.01.2013) including rail travel, road travel, meals, sightseeing, accommodation and insurance. These are highly popular trips operating at peak occupancies. 70 Bharat Darshan trips were operated across the country.



## **b. Buddhist Circuit Special Train**

The Buddhist Circuit Special Train offers a 7 Nights / 8 Days all inclusive tour covering various destinations of the Buddhist Circuit with the objective of providing a safe, comfortable and reliable tour package for international as well as domestic travellers on this circuit. So far, visitors from more than 30 countries have travelled on the train and rated its services as excellent.

## **c. Tour Packages**

**(i) Rail Tour package** - IRCTC operates all inclusive Rail Tour Packages across the country, which include confirmed rail travel, road transfers, accommodation, meals and sight-seeing at reasonable rates. During 2013-14, a total of 31,082 passengers availed IRCTC tour packages. In the year 2013-14, Shirdi and Tirupati packages of IRCTC got ISO certification 2001-9008.

**(ii) Holiday package** - IRCTC operates all inclusive Holiday Packages across the country, which include road transfers, accommodation, meals and sight-seeing at reasonable rates where passengers have to reach the first point of their itinerary on their own and then IRCTC services starts. During 2013-14, a total of 8,718 passengers availed IRCTC tour packages.

**(iii) RTP with charter coach/train** - IRCTC provides entire tour package services such as Rail travel, road transportation, sightseeing, accommodation, meals etc. to the clients on charter train or coach. During 2013-14, a total of 8,971 passengers availed IRCTC tour packages.

**(iv) Customized tour package**- IRCTC also design customized packages as per the demand and requirement of client. During 2013-14, a total of 2,503 passengers availed IRCTC tour packages.

## **d. Educational Tours**

IRCTC operated educational tours for students under its "travel to learn" scheme and has tied up with the Kendriya Vidyalaya Sangathan and various State Governments as well as private schools for operating educational tours for children. In the year 2013-14, 16,403 students and teachers availed the facility of educational tours (including 1847 students from "Gyan Uday" Trains operated for Delhi University).

## **e. Chartered Trains and Coaches**

IRCTC operated 439 (114 trains/ 325 coaches) charters in the year 2013-14 as against 353 (64 trains/ 289 coaches) charters during the previous year. The company is operating hill charters over Kalka-Shimla, Neral Matheran and other mountain railways.

## **f. Corporate Travel Business**

In the year 2013-14, IRCTC got permission of Corporate Travel from Ministry of Finance to book tickets for Ministries/ PSUs and other autonomous bodies and made IRCTC as Third Company to provide these services. IRCTC is offering complete Travel services to Corporates which include air ticketing, booking of domestic as well as International hotels, cab rental, passport and visa facilitation, insurance & forex. During 2013-14, IRCTC provided Corporate Travel services to 35 PSUs, 20 Ministries and other customers also.



**g. State Special trains**

In the year 2013-14, IRCTC has provided all inclusive packages to the elderly people residing in Madhya Pradesh, Chhattisgarh and Rajasthan state under the scheme "Mukhya Mantri Teerth Darshan trains". During the year, 208 trips have been operated under the scheme with 1,95,884 number of passengers as against 97 tours with 96,123 number of passengers in the year 2012-13.

**h. Tourism Portal**

IRCTC's tourism portal [www.irctctourism.com](http://www.irctctourism.com), is a One Stop Travel Shop. The portal, which won the National Tourism Award in the year 2008, is increasingly becoming popular among the travellers and offers various Travel and Tourism services such as on-line booking of tourist trains, tour packages, hotels, cab rental, air tickets as well as Luxury tourist trains. During 2013-14, online international air ticketing, online booking of retiring rooms, new packages have been launched on IRCTC's Tourism Portal.

**i. Maharajas' Express**

The Maharajas' Express is a top end Luxury Offering from IRCTC, New Delhi. This train is operated on 5 different itineraries out of which 3 are of 7Night/8Days and 2 are of 3Night/4Days.

The Pan India Luxury Tourist Train is being operated by IRCTC independently since January 2012 onwards where 14 journeys were successfully completed and 356 passengers were carried upto April 2012. During the year 2013-2014, total of 758 passengers availed the services of Maharajas' Express in 28 trips against 642 passengers in 26 trips in 2012-13 an increase of 18%.

**j. FIT/Inbound travel services**

During the year 2013-14, FITs/ GITs operated with all inclusive services for 256 passengers as against 28 passengers in previous year.

**k. Panj Takht train**

In the year 2013-14, IRCTC operated first Panj takht on 16.02.2014 ex- Dhuri and covering all major takhts of Sikh religion like Amritsar, Bhatinda, Anandpur Sahib, Nanded and Patna with 274 passengers.

**l. Election Special Trains**

In the year 2013-14, IRCTC operated 47 special trains with co-ordination of Indian Railways for the movement of paramilitary forces across India for Parliament Elections 2014.

**m. Outbound & Domestic Air packages**

In the FY 2013-14, IRCTC have operated several outbound packages and tried to regularize them like Singapore, Thailand, Dubai, Sri Lanka packages, etc. and even operated domestic Air packages for Andaman & Nicobar. No. of passengers served during the FY 2013-14 were approx 600 as against 218 no. of passengers during the previous year.



## Summary of Rail Tour and Holiday packages available on IRCTC Tourism Portal

Zone	Rail tour Package	Holiday Package	Total
North Zone	10	7	17
South Zone	19	12	31
South Central	25	7	32
East Zone	6	12	18
West Zone	4	1	5
<b>Total</b>	<b>64</b>	<b>39</b>	<b>103</b>

### n. Future potential & planning

The Company plans to further expand tourism business in the coming years by expanding existing business lines as well as development of new lines such as Corporate travel business, inbound as well as outbound travel services for individual travellers. Specific focus areas for the future are:-

- I. **Educational Tours:** IRCTC would continue to be the leading provider of specially designed packages "with strong educational content & a caring environment" to meet the needs of educational institutions across the country under its "Travel to Learn" scheme.
- II. **Corporate Travel:** IRCTC will continue to focus on providing cost effective and efficient travel solutions to Corporates, especially PSUs and trying to get MoF approval to provide the services to all Ministries/ Govt. offices and PSUs.
- III. **Online Air-ticketing:** IRCTC is developing on-line module for air ticket booking.
- IV. **Buddhist Circuit Travel:** IRCTC is working to increase the utilization of Buddhist rake by operating religious tours as well as providing it as FTR charter train to third party.
- V. **Online Travel:** IRCTC would continue to strengthen its position as the biggest E-Commerce site and focus on offering value for money online travel solutions to a range of customer segments.
- VI. **Tour Packages:** IRCTC would continue to strengthen its portfolio of comprehensive rail based packages utilizing regular train services.
- VII. **FIT/ Inbound/ Outbound packages:** IRCTC would increase the services in different market segments.
- VIII. **Quality measures:** Buddhist circuit package and Vaishno Devi package have been ISO-9001:2008 Certified. IRCTC is planning to get ISO Certification 9001:2008 for the popular Tirupati and Shirdi packages.
- IX. **Special pilgrim circuits:** IRCTC has plans to operate special pilgrim circuits to promote tourism in India.

**5. PACKAGED DRINKING WATER (RAIL NEER)**

IRCTC launched packaged drinking water under the brand name "Rail Neer" in Northern India in May, 2003 and Eastern India in March, 2004 with its plants located at Delhi and at Patna. These plants are being operated and maintained on Public-Private Partnership by Ion Exchange Ltd. as its O&M Contractor with initial investment and ownership by IRCTC.

During financial year 2013-14, IRCTC touched new heights in the business segment of Railneer, as mentioned below:

**Production:** The total production of Rail Neer at Nangloi, Danapur and Palur plants was 10.98 crore bottles against total production of 10.45 crore bottles in previous year. Commercial production at Rail Neer Plant Ambarnath is likely to start in August, 2014. Turnover for the segment for the year 2013-14 was ₹ 88.17 crores including intersegment sale amounting to ₹ 16.07 crores.

**Distribution:** Rail Neer produced at Nangloi is distributed on mobile trains and to static catering units primarily in Delhi area and other states such as Haryana, Punjab, Uttarakhand, West U.P. and Rajasthan. In addition, supply is also made to Parliament House, PMO, Railway Board and Ministry of External Affairs.

Rail Neer produced at Palur is distributed on trains starting from two metro cities in South India viz Chennai and Bangalore. Further it is distributed to States of Tamil Nadu, Karnataka, Andhra Pradesh and to some parts of Kerala.

Rail Neer produced at Danapur is distributed to States of Bihar, West Bengal, Jharkhand, East U.P. Assam and Orissa.

**Departmental distribution of Rail Neer:** To reduce cost of distribution and to gain firsthand experience, departmental distribution of Rail Neer at Nizamuddin Station was introduced in March 2014.

Based on experience gained, departmental distribution has been started at IRCTC kiosks on DMRC network.

**Quality:** Rail Neer Plant, Danapur and Nangloi are complying with ISO: 9001- 2008 quality management system certification. Rail Neer Plant, Palur is in advance stage of getting of ISO: 9001-2008 certification.

To strengthen reliability of in house Lab of Nangloi Plant, the lab was upgraded to NABL standards. Final NABL Audit was completed in Feb, 2014 and NABL accreditation certificate was awarded in April, 14 to RNP Nangloi laboratory for "Chemical testing of Water".

The result of the test, carried out by accredited laboratories on Rail Neer Packaged Drinking Water indicates that the quality of Rail Neer conforms to European Economic Community (EEC) norms for pesticide residue.

**Technology/Capacity upgradation:**

- i) During the year 2013-2014, phase-II work of setting up 500 ml line has been completed by augmenting compressed air requirement at Rail Neer Plant, Nangloi.
- ii) Automatic labelling and Auto Heat Shrink wrap machines were provided at RNP Danapur.
- iii) Bottle design of one liter bottle has been changed for production at RNP Ambarnath.
- iv) Low weight preform and cap have been introduced for the new design bottle at Ambarnath.

**Table showing performance of Rail Neer (Physical & Financial) for all the plants for 2013-14:**

Name of Plant	Sales (Number of bottles in crores)	Turnover including inter - segment sales ( ₹ crores)
Nangloi	3.72	29.95
Danapur	3.19	26.47
Palur	3.89	31.75
Total	10.80	88.17

**Future Potential**

- ❖ As per one study, daily requirement of Packaged Drinking Water over Indian Railway network is approx 25 lac bottles/day, against which, at present IRCTC capacity is 4.14 lac bottles/day, which shall become 6.14 lac bottles/day by the year 2014-15 when plant at Ambarnath (Mumbai) will become operational. This will meet about 25% of total requirement over Indian Railways.
- ❖ Railneer plant Ambarnath was commissioned in Jan-2014. Commercial production is likely to start in Aug-2014.
- ❖ Work order for civil construction and Plant & Machinery has been awarded for fifth Rail Neer Plant at Bilaspur (Chhattisgarh) on "company owned" model. The taking over of land and other preliminary work has been completed in 2013-14 and with optimum project management; the plant is likely to be commissioned in FY 2014-15. The capacity of the plant is 72 thousand bottles per day.
- ❖ As per Railway Budget announcement, Ministry of Railways has announced plan to set up five new Rail Neer Packaged Drinking water plants on PPP model at Jaipur, Lalitpur, Nagpur, Vijaywada and Ahmedabad in addition to already approved six packaged drinking water plants under PPP mode at Ambala, Amethi, Farakka, Mal, Nashik and Parshalla (Trivendrum).
- ❖ Work has been awarded for new plants at Amethi, Ambala and Lalitpur. The first Rail Neer Plant at Amethi (U.P.) on PPP model is likely to be commissioned in the year 2014-15.

Further in an attempt to address unsatisfied demand of drinking water in Delhi area, another PDW plant is being planned in NCR region.

**Future Growth and strategies**

IRCTC has established itself as a dominant leader and has developed expertise in the areas fields of hospitality, catering, tourism, package drinking water and e-commerce. It has a Pan India presence with grid of Zonal, Regional and Station officers in major cities, more than 1500 Hospitality Professionals from reputed IHMs, expertise in mass food production, distribution and quality control, complex operations management in-house and outsource model, development of hi-end catering facilities, designing, upgrading and consultancy in Hospitality projects, expertise in commissioning and operating of hi-end and low-end tourism products, expertise in Tourism management, extensive experiences building and operating PDW plans and serving demand of IR network and largest e-commerce website in Asia-Pacific. These inherent strengths would definitely help the Company in achieving the ambitious targets set by it. However, the critical success factors required to achieve the set targets will be reviewed proactively and timely intervention will be ensured.

**6. PERSONNEL DEVELOPMENT****Industrial relations**

Cordial industrial relations have been maintained throughout the year.

**Particulars of Employees under Section 217 (2A) of Companies Act, 1956**

None of the employees of the Company has drawn remuneration exceeding the limits laid down under the provisions of section 217(2A) of the Companies Act read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

**Presidential Directives**

The Company did not receive any Presidential Directive from Ministry of Railways during 2013-14.

**COMPLIANCES****Right to Information Act**

The Right to Information Act has been implemented in IRCTC in letter and spirit and timely responses are given to all queries. There is a full-fledged machinery of departmental PIOs, CPIO and Appellate authority to deal with RTI complaints and disposal of the same in a time bound manner. During the year 2013-14, 1277 applications were received and disposed off in time.

**Rajbhasha (Official Language)**

The Company continued its thrust on the Official language implementation as per the Govt. of India's Rajbhasha Policy. Several steps were taken to increase the use of Rajbhasha in the





Company and the Company has proved its commitment to ensure the implementation of the Rajbhasha Policy.

The Company has made several efforts to increase the use and propagation of the official language. Various activities were undertaken during the year like organizing workshops, providing training, organizing meetings, essay competitions, cultural activities, and publishing of bilingual House Magazine PRERNA etc. The e-ticketing site of the Company is bilingual. For the outstanding and noteworthy contribution in Rajbhasha, number of incentives and reward schemes are in force.

The second subcommittee of Parliamentary Committee on Official Language inspected the Corporate office on 29th May, 2013. The Committee expressed satisfaction over the efforts being done by IRCTC to propagate the use of Official language in the official work.

A Hindi week was organized in the month of Sept 2013 in the corporate office in which the 'SARANSH SOFTWARE' was loaded in the Computers for typing in Hindi through Unicode. Various competitions, such as recitations of couplets, Quiz contest etc, were organized in which large number of participants took part.

## **Vigilance**

During the year, the Vigilance Department was headed by Ms. Manju Pandey, full-time Chief Vigilance Officer. She completed her 3 years deputation period in IRCTC on 10th June, 2014. The Vigilance Department of IRCTC consists of 11 officials including CVO. The emphasis of the Vigilance Department is on 'Preventive Vigilance' to improve the systems and procedures thereby increasing transparency and reducing the scope for discretion. Creating awareness on rules/procedures/common irregularities in execution through workshops/trainings at zonal/field level has also been the aim of the Department.

During the year 2013-14, IRCTC Vigilance investigated 24 complaints and conducted 69 Preventive/Surprise checks. Suitable punitive action was taken against the erring officials/licensees/e-ticketing agents. On the recommendations of Vigilance, systems improvements have been implemented by the various departments of IRCTC during the year 2013-14. The Vigilance Awareness Week was organized from 28th October, 2013 to 2nd November, 2013. Various programmes/competitions/seminars were conducted in all the offices of the IRCTC with a view to create awareness about preventive measures through system improvement and use of Information technology.

Performance of the Vigilance Department is reviewed regularly by the Central Vigilance Commission and Chairman & Managing Director/IRCTC.

Mr. Dharmendra Prakash, an IFS officer of 1989 batch, took over as Chief Vigilance Officer of the Company on 22<sup>nd</sup> July, 2014. Prior to his appointment as CVO/ IRCTC, he held the position of OSD to former Minister of Coal.

**Memorandum of Understanding**

The Company secured " Very Good " rating by Department of Public Enterprises for the year 2012-13 on the basis of the Memorandum of Understanding signed between IRCTC and Ministry of Railways and achievement of the committed targets.

In 2013-14, the Company has been able to achieve a majority of the targets set in the MoU. The Company has been able to meet the targets for major financial, enterprise specific, sector specific, Corporate Social Responsibility, Sustainability, R&D parameters set in the MoU for 2013-14 and is expecting to achieve an "Excellent" rating for 2013-14.

During the year, the Company signed a Memorandum of Understanding (MoU) with Ministry of Railways fixing its physical, financial targets and other sector specific targets for the year 2014-15.

**Particulars Relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo etc.****(i) Conservation of Energy and Technology Absorption**

The details of Conservation of Energy and Technological absorption for the year 2013-14 are placed as **Form A of Annexure-II**.

**(ii) Foreign Exchange Earnings and Outgo**

The details of Foreign Exchange Earnings and Outgo during the financial year 2013-14 are placed as **Form B of Annexure-II**.

**Risk Management**

IRCTC has drafted a Risk Management Policy to assist in establishing and maintaining an effective risk management framework for the Company. The main objectives of the 'Policy' are to ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated and managed and to establish a framework for the company's risk management process and to ensure companywide implementation.

To establish an appropriate Risk management framework in the Company, to start with, a Committee of GGM level officers has been constituted to identify the risks related to the specific business segments of IRCTC.

**Corporate Social Responsibility (CSR) and Sustainable Development**

In accordance with the guidelines and directives issued by Department of Public Enterprises, IRCTC has formulated its CSR and Sustainability Policy with the approval of the Board of Directors to undertake the initiatives under CSR and Sustainability within the ambit of Department of Public Enterprises' guidelines.



As per the approved CSR and Sustainability Policy, IRCTC has put in place a two tier organizational structure to steer the CSR and Sustainability agenda of Company. The two-tier structure is comprised of:

- a. **Tier-I** -- Board Level Committee, headed by CMD/IRCTC;
- b. **Tier-II** -- Below Board Level Committee headed by GGM(HRD), Nodal officer for CSR and Sustainability.

A comprehensive report on CSR and Sustainable Development activities of IRCTC for the year 2013-14 is enclosed as **Annexure-C** to the report.

## Accolades

Relentless efforts of IRCTC have brought home many laurels and accolades for the organization. A glimpse at some of the awards been won by IRCTC during 2013-14 is as follows:

- ❖ e-INDIA award in the category "Internal Management - ICT in HR & Payroll" for the project "IRCTC PAYROLL/ORACLE HRMS". (23.7.13)
- ❖ Forbes India Leadership Award to Sh. Rakesh Kumar Tandon, CMD, IRCTC as the Best CEO - Public Sector (16.10.13)
- ❖ World Travel Award 2013 for the Maharajas' Express as the World's Leading Luxury Train (30.11.13)
- ❖ India Pride Award in the Consumer Industry Category by the Bhaskar Group (19.12.13)
- ❖ News Ink Legend PSU Shining Award as the Dynamic PSU of the Year for Excellence in Green Business Operation (31.1.14)

## Directors' Responsibility Statement

The Board of Directors of the Company in pursuance of section 134 (5) of Companies Act 2013 (section 217 (2AA) of erstwhile Companies Act, 1956 ) hereby confirms:

- I. that in the preparation of the annual accounts, all the applicable accounting standards along with proper explanation have been followed and there has been no material departure;
- II. that such accounting policies were selected and applied consistently and such judgements and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and Profit & Loss of the Company for the year ended on 31<sup>st</sup> March 2014;
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. that the Annual Accounts have been prepared on a going concern basis.
- V. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**Board of Directors**

During April 2013 to March 2014, six meetings of the Board of Directors were held with one meeting in the quarter ended June 2013, and two meetings in quarter ended September 2013, two meetings in quarter ended December 2013 and one meeting in quarter ended March 2014.

Mr. A Madhukumar Reddy has been nominated as part-time official Director by Ministry of Railways w.e.f 29<sup>th</sup> June, 2013. Mr. R.N Kalita was appointed as Director (Catering Services) of IRCTC w.e.f. 10<sup>th</sup> July, 2013. Mrs. A.K. Brar was appointed as Director (Tourism & Marketing) w.e.f 1<sup>st</sup> January, 2014.

Mr. Rakesh Kumar Tandon ceased to be Chairman and Managing Director of IRCTC due to completion of his tenure on 4<sup>th</sup> January, 2014.

Mr. M.P. Mall, Director (Finance), consequent to completion of tenure of Shri R.K. Tandon, was entrusted with additional charge of Chairman and Managing Director by Ministry of Railways w.e.f 5<sup>th</sup> January, 2014 till the date the regular selected Chairman & Managing Director, IRCTC is posted or until further orders, whichever is the earliest.

The Directors would like to express their gratitude for Mr. Rakesh Kumar Tandon for his invaluable contribution.

On the date of the report, the strength of the Company is Eight Directors comprising of three functional Directors, two part-time (official) and three part-time (non official) Directors.

The following Directors are holding office as on the date of the report:-

1.	<b>Mr. M.P. Mall</b> Director (Finance) and CMD	From 21 <sup>st</sup> January, 2013 onwards as Director (Finance); From 5 <sup>th</sup> January, 2014 onwards assumed additional charge of CMD on completion of tenure of Mr. R.K. Tandon, former CMD
2.	<b>Mr. R.N. Kalita</b> Director (CS)	from 10 <sup>th</sup> July, 2013 onwards
3.	<b>Mrs. Amritbir Kaur Brar</b> Director (T&M)	from 1 <sup>st</sup> January, 2014 onwards
4.	<b>Mrs. Mani Anand</b> Part-time official Director	from 14 <sup>th</sup> May, 2010 onwards
5.	<b>Mr. A Madhukumar Reddy</b> Part-time official Director	from 28 <sup>th</sup> June, 2013 onwards
6.	<b>Mr. Sanjay Arora</b> Part-time Non official Director	from 20 <sup>th</sup> July, 2012 onwards
7.	<b>Mr. Alok Shivapuri</b> Part time Non official Director	from 20 <sup>th</sup> July, 2012 onwards
8.	<b>Dr. Subhash Datta</b> Part-time Non official Director	from 20 <sup>th</sup> July, 2012 onwards



## Cost Auditors

M/s R.J. Goel, Cost Auditor appointed for the year 2013-14, have issued the report as per the statutory requirement and the same has been discussed with the management.

The Company has appointed M/s Sanjay Gupta & Associates, Cost Accountants as Cost Auditors to audit the cost record maintained by the Company for the financial year 2014-15.

## Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s Bhushan Bensal Jain & Associates , Chartered Accountants as Statutory Auditors of the Company for the year ended 31<sup>st</sup> March, 2014. The Board would like to thank them for their valuable support and guidance during the audit of accounts under review.

## Comments of Comptroller & General (C&AG) of India

The Comptroller & Auditor General of India has undertaken supplementary audit on the accounts of the Company for the year ended 31st March, 2014 under Section 619(4) of the Companies Act, 1956. The comments of the C & AG on the Annual Accounts of the Company for the year ended 31st March, 2014 shall also form part of this report.

## Acknowledgements

We take this opportunity to gratefully acknowledge the cooperation, guidance and support received from Ministry of Railways (MoR), Ministry of Tourism, Department of Public Enterprises, the Zonal Railways, for their continued interest and support to the Company. The Directors would like to express their thanks for the devotion, commitment and dedication of every employee of the Company due to which your Company could face the new challenges and opportunities and create a niche for itself. The Directors also place on record their appreciation to the officials of Comptroller & Auditor General of India for their guidance during the year under review. Last but not the least, the Directors would like to express their deep appreciation and gratitude towards all their predecessors who have been associated with IRCTC, for their invaluable contribution to the growth and development of the Company in attainment of the Company's aims and goals in all spheres.

For and on behalf of Board of Directors

**Sd/-**  
**(M.P. Mall)**  
**Director/Finance and**  
**Chairman & Managing Director**  
**(additional charge)**

**Dt: 13<sup>th</sup> August, 2014**  
**Place: New Delhi**



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **(1) INDUSTRY STRUCTURE AND DEVELOPMENT**

#### **ECONOMIC SCENARIO**

The service industry forms a backbone of social and economic development of a region. It has emerged as the largest and fastest-growing sectors in the world economy, making higher contributions to the global output and employment. Its growth rate has been higher than that of agriculture and manufacturing sectors. It is a large and most dynamic part of the Indian economy both in terms of employment potential and contribution to national income. It covers a wide range of activities, such as trading, transportation and communication, financial, real estate and business services, as well as community, social and personal services.

As per Economic Survey 2013-14, "India's services sector expanded quickly with double-digit growth in the second half of the 2000s. As the Euro-zone crisis has worsened, growth has slowed, though the sector is still growing at a much higher rate than the other two sectors of the economy"

The growth story overall and services of world and India in the 2000s began from almost the same level of around 4-5 per cent in 2000. But over the years, India's overall and services growth rates have outpaced those of the world. Interestingly, unlike world services growth, which has been moving in tandem with its overall growth with mild see-saw movements over the years, India's services growth has been consistently above its overall growth in the last decade except for 2003 (when the former was marginally lower than the latter). Thus, for more than a decade, this sector has been pulling up the growth of the Indian economy with a great amount of stability.

The share of services in India's GDP at factor cost (at current prices) increased from 33.3 per cent in 1950-51 to 56.5 percent in 2012-13 as per Advance Estimates (AE). However, the growth of these services decelerated in 2010-11 and was low in 2011-12 due to deceleration in growth of public administration and defence. This, coupled with the lower growth of trade (internal and external) reflected in fall in growth of transport and related activities, led to a relatively lower growth of the services sector.

The immediate challenge for India's service sector covering myriad areas is revival of growth. The services sector is an uncharted sea throwing up many daunting challenges as well as opening up many exciting opportunities. Addressing the challenges of the diverse services sectors and seizing the new opportunities can lead to multiple gains for the service sector of economy.

#### **Catering Industry Overview:**

Over the last decade, the catering industry has gained momentum with the establishment of a number of Hotel Management and Catering institutes. According to the recent estimate more than two-million restaurants are now dominating the present scenario of the Indian catering industry.



The Indian catering industry has now become an important factor for the success of any social event. In the wake of the nature of business, the catering industry has largely remained unaffected by the economic slowdown and has, in fact, maintained a 15-20% growth rate year-on-year.

The catering segment in India is mainly dominated by unorganised players, many of who run their business from the comfort of their homes and small establishments. But in recent years, the scenario has changed. A lot of organised operators comprising international catering companies and big restaurant chains have also started taking catering seriously. Catering is no more limited to weddings and birthday parties in the country. Moreover, the imposition of various kinds of taxes by the government is also resulting in the growth of the catering business.

In the next five years, Sodexo India On-Site Services, a well known name in Catering, expects the organised food retailing segment to broaden its target market in food services with an approximate 15 percent growth rate. On the consumer front, increased mobility, exposure, aspirations and availability of a substantially wider range and products would also contribute to this market shift. In addition, increased regulation and stress on quality and safety would lead to a preference for organised players.

The Indian food and beverage industry has never been more exciting. From fine and casual dining to QSRs, everyone wants to be a part of the food service band wagon.

The growth experienced by this industry has been exponential with an increase of 8.5% in 2008 to 10.03% in 2010; the current worth being 1.26 lakh crore. The massive numbers confirm the expansion and change in people's preferences.

With the changing needs and lifestyles of consumers, global as well as Indian food consumption patterns are rapidly evolving. Catering Industry is expected to boom further by way of rise in services to high-end hospitals, educational institutes, etc.

The emersion of MNCs in India is also leading to an increased focus on health and safety. These companies stress on stringent safety norms in their own day-to-day businesses and expect the same from their outsourced food partners as well.

It is quite clear that the catering scenario in India is only getting competitive, riding on various factors that are propelling its growth. And this spells good news for the end consumer who is going to get good quality hygienic food at a very well structured price. But it is yet to be seen, how this industry shapes itself in the coming future.

## **Hospitality Industry Overview:**

Hospitality industry comprising hotel & catering Industries is one of the fastest growing industries in the world. In the global context, the sector has witnessed booming growth in the past decades or two specially after the opening of the economy. Besides India with its rich historical past & varied geographical locations like hill stations & beaches has always been a very attractive tourist destination. Efforts by the Govt. to promote India as a prime tourist destination in the world is paying dividends & there has been a definite increase in the volume of the international tourist visiting the

country. More encouraging has been the steady growth in the no. of Indians travelling within the country both for the pleasure & business as fall out of the increasing levels of income & education. All these have augured well for the hotel industry which has grown tremendously both in terms of capacity & service.

India has the potential to become the number one tourist destination in the world with the demand growing at 10.1 per cent per annum, the World Travel and Tourism Council (WTTC) has predicted. India currently has over 200,000 hotel rooms spread across hotel categories and guest-houses and is still facing a shortfall of over 100,000 rooms. The country is witnessing an unprecedented growth in hotel constructions and will be adding almost 114,000 hotel guest room to its inventory over the next five years.

Despite the global recession, inflation, terrorism and other factors, the overall outlook for the Indian Hospitality market is optimistic and will remain so says HVS. India remains the second fastest growing economy in the world and the economic growth of the country is at 7.1% of the GDP as declared by Mr. Pranab Mukherjee , the then Finance Minister, India. The WTO (World Travel Organisation) predicts that India will receive 25 million tourists by 2015.

India, with a population over 1.2 billion people and a rapidly growing economy at real GDP of 8%, is allowing the hotel market to prosper as hotel brands continue to expand their portfolio in the main cities and in the regions. The Indian hospitality sector is poised to grow at a CAGR of 15% until 2015 as number of foreign tourist arrivals (FTAs) is rapidly increasing at a CAGR of 7.3%, well educated middle class continues driving the domestic demand. Indian government is showing serious political will to support the growing US\$ 17 billion sector, and revival of global economy and hosting sports and important events is also taking place.

Having said that, the sector is also facing serious challenges including lack of infrastructure, lack of trained manpower, socio political conditions, and fierce competition in the premium and middle market segments which will cause pressure on occupancy and average rate per room. Unlike premium hotels, budget hotels - as a new innovative concept - is emerging as untapped segment with limited availability but positive prospect.

IRCTC having experience in successfully managing four Brownfield properties on PPP model basis, is now in the process to set up more budget hotels at various strategic locations across the country. IRCTC is in discussion with various State Government/Agencies for growth in this area.

Across the Indian Railways network in the country, apart from catering services at Railway stations, Rajdhanis and Duronto trains, IRCTC has now diversified into related areas like Facility management, food parks, budget hotels, hospitality hubs, hospitality training etc. by harnessing the existing capabilities. IRCTC is also exploring the field of commercial catering at Malls, Business Centers, Institutions, MNCs and other such establishments through newly built Central Kitchen.

IRCTC has successfully launched the first Executive Lounge with all modern facilities at New Delhi Railway Station and shall soon be opening such lounges at 50 more locations across the Indian Railways network.



## Tourism Industry Overview:

India has significant potential to become a preferred tourist destination globally. Its rich and diverse cultural heritage, abundant natural resources and biodiversity provides numerous tourist attractions. The total tourist visits in India have been growing at a steady rate of about 16 per cent over the past five years. The travel and tourism sector in India provides significant socio economic benefits. While the direct contribution to GDP is estimated at ₹ 2222 billion in 2013, the total contribution is estimated at ₹ 7416 billion in the same year. These have further been forecasted to rise at a growth rate of 12 per cent over the next decade. While the sector supported 25 million direct and 40 million total jobs in 2012, these have been forecasted to increase at a growth rate of 2.1 per cent by 2023. Several industry drivers such as government initiatives, diverse product offerings, growing economy, increasing disposable income levels and marketing initiatives along with key trends such as increasing number of women and senior citizen travellers, multiple short trips and weekend holidays, introduction of innovative tourism concepts and customised tour packages are playing a pivotal role in shaping the Indian tourism sector.

India's tourism industry is experiencing a strong period of growth, driven by the burgeoning Indian middle class, growth in high spending foreign tourists, and coordinated government campaigns to promote 'Incredible India'.

The tourism industry in India is substantial and vibrant, and the country is fast becoming a major global destination. India's travel and tourism industry is one of the most profitable industries in the country, and also credited with a substantial amount of foreign exchange earnings.

Disposable income in India has been growing rapidly and the share being spent on travel is increasing. The Tourism Ministry has played an important role in the development of the industry, initiating advertising campaigns such as the 'Incredible India' campaign, which promoted India's culture and tourist attractions in a fresh and memorable way.

India is well known for its natural resources and cultural resources with many World Heritage sites, both natural and cultural; rich fauna, many fairs and exhibitions and strong creative industries. India also has quite good air transport, particularly given the country's stage of development, and reasonable ground transport infrastructure.

India by rail offers a fascinating odyssey through time and space, cultures and history offering magical glimpses of unity amidst diversity, shrouded in enchanting, mystery colors that captures the heart while soothing the soul. The country has an extensive network of railways covering multitude of tourist destinations. It runs train services all over the country which cater to different type of travelers.

Railway is a very important driver of tourism in any country and even more so one as large as India with weak road & hotel infrastructure. Being the tourism arm of Indian Railways, IRCTC makes an important contribution to overall growth of tourism in the country. It is also focusing on providing value for money services to middle end domestic customers by its range of tour packages.

**SWOT Analysis****Strengths**

- ❖ Pan India presence;
- ❖ Only PSU Company, providing one window solution to all Hospitality Services;
- ❖ Support of Indian Railways;
- ❖ Professional employee base;
- ❖ Largest e-commerce provider in Asia Pacific;
- ❖ Reputed brand name;
- ❖ Database of over 21 million customers;
- ❖ Large agent network.

**Weakness**

- ❖ Large dependency on Railways;
- ❖ Profitability dependent on one segment;
- ❖ Low flexibility in decision making as compared to private sector.

**Opportunities**

- ❖ High growth rate in Hospitality & Tourism segment;
- ❖ Growth in online travel;
- ❖ IT and E-Governance;
- ❖ Reputation of Brand IRCTC;
- ❖ Joint Venture with other Government bodies.

**Threats**

- ❖ Policy directives issued from time to time on catering & internet ticketing;
- ❖ Dominant unorganized sector;
- ❖ High market competition.

**(2) SEGMENT-WISE PERFORMANCE**

IRCTC has main four business segments namely; Catering and Hospitality (including Licensee Catering, Departmental Catering); Travel & Tourism; Internet Ticketing and Packaged drinking water Railneer. Performances of these segments during the year as compared to the previous year are detailed below:

**Licensee Catering Business:**

During the year 2013-14, the Licensee catering business registered an income of ₹ 26.89 crore as against ₹ 21.44 crore achieved during 2012-13. The Segment result (profit) achieved was ₹ 11.11 crore during the year 2013-14 as against ₹ 8.36 crore during the year 2012-13. The increase is due to opening of new food plazas/food courts.





## Departmental Catering Business:

The Departmental Catering business registered an income of ₹ 280.83 crore during the year 2013-14 as against ₹ 241.15 crore achieved during year 2012-13. The NRC units contributed ₹ 37.41 crore to the total revenue of the Departmental Catering Business in the year 2013-14 as compared to the ₹ 28.64 crore in the year 2012-13. The increase in NRC revenue is mainly due to opening of new NRC Units, operation of DMRC units etc. The Segment result (loss) of Departmental catering during the year 2013-14 has increased to ₹ 60.68 crore from ₹ 59.83 crore during the year 2012-13 due to inflation.

## Rail Neer business:

During the year 2013-14, the Rail Neer business registered an income of ₹ 72.11 crores as against ₹ 56.33 crores achieved during year 2012-13. This does not include sale of Rail Neer through departmental catering, amounting to ₹ 16.06 crores as against ₹ 15.49 crores in the previous year. The Segment result (profit) during the year was ₹ 5.35 crores as against profit of ₹ 0.46 crore during the previous year. The increase in revenue is mainly attributed to increase in selling price of Railneer by Railways and increase in quantity sold from 10.11 crore bottles in 2012-13 to 10.80 crore bottles in 2013-14.

## Tourism business:

During the year 2013-14, the Tourism business registered an income of ₹ 324.14 crore as against ₹ 188.71 crore during year 2012-13, indicating a growth of about 71.77 %. The increase is due to increase in revenue from Mukhyamantri Yojna, Maharaja Express and also increase of revenue from package tourism. The Segment result (loss) of ₹ 4.11 crore was suffered during the year as against ₹ 12.96 crore during the previous year.

## Internet Ticketing business:

During the year 2013-14, the Internet Ticketing business registered an income of ₹ 228.49 crore from E-ticket Service charge as against ₹ 187.94 crore achieved during year 2012-13 thereby registering an increase of 21.58 % over previous year. The increase in internet ticketing is due to impact of realization of service tax on service charges which was earlier inclusive in service charges and due to good marketing efforts, upgraded infrastructure and improved customer care. The Segment result (profit) during the year was ₹ 171.48 crores as against profit of ₹ 137.86 crore during the previous year.

## (3) OUTLOOK

For ensuring better future performance, IRCTC is poised to capture new opportunities in Railway and Non Railway Segments to sustain high level of performance. IRCTC is keen to penetrate its financial and non-financial resources through the sustained efforts and initiatives in the field of Catering & Hospitality, Travel & Tourism, Internet Ticketing and Packaged Drinking Water (Rail Neer) by improving the quality standards of its product, enhancing the

performance and strengthening the various services by upgradation, introduction of value added services and diversification into other areas like - Facility Management, Institutional Catering, Budget Hotels, Motels, Hospitality Institutes, E-Mart, Fine Dining outlets, Food Testing Lab, SMS based reservation, Air Ticketing, Tourism Packages, Multi functional Complexes etc.

#### **(4) RISKS AND CONCERNS**

##### **Catering:**

Catering business of the Company continued to be heavily dependent of Railways. Zonal Railways have now started privatization of existing departmental units which are being run by IRCTC. This will adversely affect the turnover of departmental catering segment. Orders of repatriation of Deemed Deputation Optees back to their respective Zonal Railways by Ministry of Railways are pending since long. With handing over of departmental business to Railways, these staff will have no work and Company will have to bear the losses on this account.

Though Company diversified into non Railway Catering business from the year 2010-11 and continued to achieve higher turnover with higher number of units, but the losses in non Railway segment were increasing and therefore, now it has been decided to curtail the operation of this segment. Loss making non-railway Catering units are being closed and in future units with higher turnover and profitability will be taken up.

IRCTC has approached Ministry of Railways for additional Railway businesses viz Multi Functional Complexes, Comprehensive maintenance of stations, management of Base Kitchen and Cell Kitchens and also Rajdhani/Shatabdi trains.

##### **Internet Ticketing:**

Internet ticketing services for Indian Railways are the main source of profits for the company - especially after taking back of the licensee catering business by Indian Railways. The Company gets nominal Service Charge of ₹ 10/- per ticket for non AC classes and ₹ 20/- per ticket for AC classes with Service Tax. The Company is in receipt of communication from the Ministry of Railways that the service charge revenue is to be shared in the ratio of 20:80 with Indian Railways. This will have the impact of reducing the revenues from Internet Ticketing by 20% directly.

##### **Rail Neer:**

There is intense competition from private players in Packaged Drinking Water segment, since the market is quite unorganized and evasion of taxes is a recurring practice, which brings down the cost of production and make available the supply of product at cheaper rates.

Main raw material for Rail Neer is water, which is a very important natural resource. With increase in population, there will be more pressure on this natural resource. Therefore, water conservation and



Specific water consumption (amount of water used to produce one litre of finished water) has to be constantly monitored.

## **(5) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

IRCTC has well defined and well laid out inbuilt control system in all the functional and operational areas. The Company has also formulated various policies and procedures, as part of its Internal Control System, for orderly and efficient conduct of its business, including adherence to management's policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has assigned the Internal Audit work to an outside professional firm, M/s Chaturvedi & Partners, Chartered Accountants, New Delhi for FY 2013-14. Internal Audit covers all areas of operations of IRCTC as per annual Internal Audit Programme. The internal audit report for FY 13-14 has been received and observations are being taken up at management level. Internal Audit helps in improving accuracy and efficiency of transactions and operations by undertaking review of controls in built, scrutiny of payments and expenditure and examination of financial and technical records of the Company.

## **INTEGRITY PACT**

IRCTC has implemented the integrity pact program in line with the recommendations of Central Vigilance Commission. The adoption of Integrity Pact by IRCTC has helped in establishing healthy business practices. To ensure transparency and healthy competitiveness in public procurements/ contracts, IRCTC has adopted Integrity Pact. Two Independent External monitors have also been appointed in IRCTC with the approval of CVC.

## **(6) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year 2013-14, the Company achieved a total income of ₹ 954.70 crore as compared to ₹ 719.69 crore in 2012-13.

Profit before tax of ₹ 127.41 crore was achieved during the year 2013-14 as compared to ₹ 92.41 crore in the previous year. The net profit has increased to ₹ 72.01 crore in financial year 2013-14 as compared to ₹ 58.84 crore in financial year 2012-13

## **MOU for the year 2013-14 with Ministry of Railways**

The comparison of actual with financial MOU targets is given below:-

<b>MOU Parameters</b>	<b>MOU 2013-14</b>	<b>Actual 2013-14</b>
Gross Margin/Gross Block (%)	20.18	67.53
Net Profit/ Net Worth (%)	11.33	20.76
Gross Profit/Capital Employed (%)	14.96	39.77
Gross Margin(₹ in Crore)	81.13	144.18
Gross Sales(₹ in Crore)	700.00	928.13
PBDIT/Total Employment (₹ in lakh per person)	3.68	8.62
Added Value/ Gross Sales (%)	5.94	12.08

**(7) MATERIAL DEVELOPMENTS IN HUMAN RESOURCE: INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED.**

IRCTC recognizes the strength of its most important assets, i.e., its own people. The Company is aware that the training of the employees is of utmost significance to get the optimum output. During the year 2013-14, training for 6448 mandays was provided to manpower in IT/Tourism/Catering/HRD and Finance departments in Corporate Office as well as various zones against a target of 5000 mandays (Excellent). During the year, the expenses incurred on imparting training of 6448 mandays was of ₹ 21,72,914/-.

To ensure smooth functioning of the organization, review and rationalization of manpower was undertaken. There were 1672 employees as on 31<sup>st</sup> March, 2014, which includes 351 Executives and 1321 Non- Executives. (183 DDOs, 55 Deputationists +1434 employees= 1672)

**(8) ENVIRONMENT PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION**

The information pertaining to conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in **Form A** and **Form B**.

**(9) CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY**

Initiatives taken by IRCTC towards CSR & Sustainability are detailed in Directors' Report.

**(10) CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis and Directors Report describing the Company's objectives, projections and estimates, are forward looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from expressed and implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

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## Annexure-II to Directors' Report

### FORM A

#### Disclosure of particulars with respect to Conservation of Energy:

##### A. Power and Fuel consumption:

Particulars	2013-14	2012-13
1. Electricity:		
a) Purchased:		
Units ('000 KWH)	5691.95	4785.81
Total Amount (₹ In Lac)	398.22	353.165
Rate/Unit (₹/Unit)	7.00	6.54
b) Own Generation:		
Through Diesel Generator-		
Units ('000 KWH)	243.54	210.34
Units per ltr. of diesel oil	3.13	3.04
Cost/unit (₹/Unit)	17.42	14.10
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Natural Gas	Nil	Nil

##### B. Consumption per unit of production:

Particulars	Electricity (KWH/100 Bottles)		Furnace oil		Natural gas		Coal	
	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
Rail Neer Packaged Drinking Water	5.4	4.7	Nil	Nil	Nil	Nil	Nil	Nil

## Annexure -II contd

### FORM B

#### Disclosure of Particulars with respect to Technology Absorption:

##### Research and Development (R&D)

##### 1. Specific areas in which R&D is carried out by the Company as per MoU 2013-14:

- DPR for Customised solution for preservation of cooked food from preparation till consumption;
- DPR for Accelerated testing of cooked food samples to prevent service in case of adverse reports;
- To introduce low weight preform & cap for 500 ml bottles at Nangloi;
- Development and introduction of induction cooking at Patna (Rajendra Nagar) Base Kitchen;
- Development of ready to use food items at Test Kitchen of Food Factory at Noida;
- Research in to Food preferences of passengers on Ahmedabad Rajdhani and Development of new menus.



**2. Benefits derived as a result of the above R&D:**

- Food retains most of their nutrients;
- Saving energy & time in preparing and serving meals;
- Lighter weight preforms & caps brings with it benefits in terms of material savings, energy savings and carbon emissions.
- Helps in analysing and establishing grievance resolving mechanism and to take corrective action on time.

**3. Future plan of action:**

To reduce cost of packaging in the Rail Neer bottle, new size having lesser weight perform and closure will be adopted for up- coming plants as well as operational plant after satisfactory commercial production at Rail Neer Plant, Ambernath.

Rail Neer bottle have been redesigned to have better strength with reduced weight of perform. In house laboratory of Rail Neer Plant, Nangloi is in the process of NABL accreditation. After submission of application, audit has been done and accreditation is awaited from NABL.

Compressed air requirement at Rail Neer Plant, Nangloi has been augmented during 2013-14 to improve productivity.

**4. Expenditure on R & D during the year is as follows:**

During the year 2013-14, the Company made the provision to incur ₹ 31,18,520/- (Rupees Thirty One Lakhs Eighteen Thousand Five Hundred Twenty only) on R&D activities as per the MoU of 2013-14.

**5. Technology absorption, adaptation and innovation:****Imported Technology:**

Technology	Year of Import	Status of absorption
	NIL	

**6. Foreign exchange earnings and outgo:**

(₹ in lakhs)

Particulars	2013 - 14	2012 - 13
Foreign Exchange Earnings	1180.11	1106.25
<b>Foreign Exchange Outgo: -</b>		
Foreign Travelling Expenses	95.36	129.56



## Annexure "B" to the Directors' Report

### **Report on Corporate Governance**

Corporate Governance encompasses a system of rules, practices and processes to ensure that Company's affairs are being managed in a manner which ensures transparency and fairness in all its transactions in the widest sense. We believe, Corporate Governance is not just a destination but a journey to constantly improve sustainable value creation. Since Corporate Governance provides the framework for attaining a company's objectives, it covers practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

At IRCTC, the term "Corporate Governance" is all about maintaining a valuable relationship and trust with all its stakeholders. At IRCTC, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, management, customers, suppliers, financiers, employees, government and the community. Your Company has a well defined policy framework for ethical conduct of business which is based on trust, transparency, empowerment, accountability and corporate ethics. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance philosophy.

IRCTC strives to transcend much beyond the basic requirements of Corporate Governance focusing consistently towards value addition for all its stakeholders. Our multiple initiatives towards maintaining the highest standards of governance in letter and spirit are detailed in this report.

#### **1. Company's Philosophy:**

IRCTC's Corporate Governance philosophy is **"To enhance stakeholders' value in the long run by ensuring fairness, transparency, disclosures and reporting that not only comply with statutory regulations but also promote ethical conduct throughout the organization."**

To achieve the goals and objectives, your Company is guided by the following Key Value (s):

- ❖ Zeal to excel and zest for change;
- ❖ Integrity and fairness in all matters;
- ❖ Respect for dignity and potential of individuals;
- ❖ Strict adherence to commitments;
- ❖ Ensure speed of response;
- ❖ Foster learning, creativity and teamwork;
- ❖ Loyalty and pride in IRCTC.

#### **2. Board of Directors:**

**(i) Size of the Board:** The Board of Directors of your Company consists of whole-time Directors including CMD, Part-time Government Nominee Directors and Part-time non-official (Independent) Directors. Whole-time Directors are involved in day-to-day management of the Company.

Government Nominee Directors are representatives of administrative Ministry of Government of India to take care of interest of Government of India. Independent Directors are appointed by Government of India to take care of interest of all stakeholders. The Board of Directors is responsible for defining Company's policies, strategies and overseeing their implementation and effectiveness.

**(ii) Composition of the Board:** Your Company, being a Government Company, within the meaning of Section 617 of the Companies Act, 1956, the appointment/ nomination of all the Directors is done by the President of India, through its administrative ministry, i.e., Ministry of Railways.

The Articles of Association of the Company stipulates that the number of Directors shall not be less than three and not more than twelve. These Directors may be either whole-time Directors or part-time Directors.

As on 31<sup>st</sup> March, 2014, the Board of Directors of IRCTC comprised eight (8) directors out of which three (3) were whole time directors including the Chairman & Managing Director, two (2) part-time official directors (Government Nominee) and three (3) part-time non-official (Independent) directors.

**(iii) Attendance of Directors at the Board meetings and last AGM:**

The composition of Board of Directors, attendance at the Board meetings during the year 2013-14, attendance at the last Annual General Meeting and the number of other directorships, Chairmanships and Committee memberships (as provided) held by them are given below:

S. No	Name of Directors	No. of Board Meetings during respective tenure of Directors in FY 13-14		Attendance at the last AGM (held on 27 <sup>th</sup> September, 2013)	No. of other Directorships held as on 31 <sup>st</sup> March, 2014*	No. of other Committee memberships held as on 31 <sup>st</sup> March, 2014**	
		Held	Attended			Chairman	Member
WHOLE-TIME DIRECTORS							
1.	<b>Shri Rakesh Kumar Tandon</b> <b>(DIN 02517137)</b> Chairman & Managing Director <i>(ceased to be CMD w.e.f. 4<sup>th</sup> January, 2014 due to completion of tenure)</i>	5	5	Yes	N.A.	N.A.	N.A.
2.	<b>Shri M.P. Mall</b> <b>(DIN 02316235)</b> Director (Finance) <i>(additional charge of CMD w.e.f 5<sup>th</sup> January, 2014)</i>	6	6	Yes	NIL	NIL	NIL

# Indian Railway Catering and Tourism Corporation Ltd.



3.	<b>Shri R.N. Kalita</b> (DIN 00843481) Director (Catering Services) (appointed w.e.f. 10 <sup>th</sup> July, 2013)	5	5	Yes	NIL	NIL	1
4.	<b>Smt Amritbir Kaur Brar</b> (DIN 06780608) Director (Tourism & Marketing) (appointed w.e.f. 1 <sup>st</sup> January, 2014)	1	1	No <sup>#</sup>	NIL	NIL	NIL
<b>PART-TIME OFFICIAL DIRECTORS – GOVERNMENT NOMINEES</b>							
5.	<b>Smt. Mani Anand</b> (DIN 03085030) Executive Director (T&C), Railway Board	6	5	Yes	NIL	NIL	NIL
6.	<b>Shri A Madhukumar Reddy</b> (DIN 06633791) Executive Director (PM), Railway Board (appointed w.e.f. 28 <sup>th</sup> June, 2013)	5	5	Yes	NIL	NIL	NIL
<b>PART-TIME NON-OFFICIAL (INDEPENDENT) DIRECTORS</b>							
7.	<b>Shri Sanjay Arora</b> (DIN05337421)	6	6	Yes	NIL	1	NIL
8.	<b>Shri Alok Shivapuri</b> (DIN02238848)	6	5	Yes	NIL	NIL	1
9.	<b>Dr. Subhash Datta</b> (DIN05352761)	6	6	No <sup>##</sup>	NIL	NIL	1

# Indicates that concerned person was not the Director on the Board of IRCTC as on the date of AGM.

## Leave of absence.

\* Does not include Directorship in Private Companies, Section 25 Companies & Foreign Companies.

\*\* Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders' Grievance Committee.

## NOTES:

1. The term "whole-time" indicates functional and executive directors who are in whole time employment of the Company.
2. The term "part-time official" indicates the Government (Ministry of Railways) nominated Directors on the Board of IRCTC who are officials of Ministry of Railways.
3. The term "part-time non-official" indicates the Directors who are independent and do not hold any office in the Government.
4. None of the Director(s) on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he/she is a Director.
5. None of the Directors of the Company are in any way related to each other and do not have any pecuniary relationship with the Company.

6. The Directorships and memberships/chairmanships are based on latest disclosures received.

**(iv) Age limit and tenure of Directors:**

Age limit of the Chairman & Managing Director and other Functional Directors is 60 years. The Chairman & Managing Director and Functional Directors are appointed for a period of five years from the date of taking over of the charge or till the date of superannuation of the incumbent or till further orders from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing Ministry of Railways, Government of India, retire from the Board at the discretion of nominating authority or on ceasing to be officials of the Ministry of Railways.

Independent Directors are appointed by the Government of India usually for a tenure of three years.

**(v) Brief resume of Directors appointed during/after the closure of financial year:**

**A. Shri A Madhukumar Reddy, Part-time Official Director & ED (PM), Railway Board (appointed w.e.f. 28th June, 2013) - DIN 06633791**

Shri A Madhukumar Reddy is a civil servant of the Indian Railway Traffic Service - 1987 batch of the Civil Services. As Executive Director (Passenger Marketing), being in-charge of passenger business, he has been successful in streamlining the front-end operations and enhancing service delivery through improved ticketing systems.

Prior to ED(PM), Railway Board, he has worked as Chief Freight Transportation Manager at South East Central Railway, Bilaspur and West Central Railway, Jabalpur; and General Manager, Rail Land Development Authority. He has also been associated with Ministry of Urban Development. As Director (Land and Development Officer) and Director( Estates) in the Ministry of Urban Development, Shri Reddy was effective in leveraging IT-based solutions to phase in transparency and efficacy in service delivery.

Shri Reddy's educational qualifications include M.Phil, Social Sciences (Public Admin.), Panjab University through Indian Institute of Public Administration, New Delhi; MBA from Management Development Institute, Gurgaon; M.Phil, East Asian Studies and M.A., International Studies, from School of International Studies, Jawaharlal Nehru University and Bachelors' Degree in History from Loyola College, University of Madras.

He was nominated as Member to the New Delhi Municipal Council in 2006 by Government of India and was awarded the Minister of Railways' medal in 1995 for display of outstanding leadership in operations and disaster management.

He has keen interest in reading contemporary issues in the Indian Political economy; role of public policy in inclusive development and Indo-Anglian literature.





**B. Shri R.N. Kalita, Director (Catering Services) appointed w.e.f. 10th July, 2013 - DIN 00843481**

Shri R.N. Kalita, joined the Board of IRCTC on 10th July, 2013. He is a civil servant of the Indian Railway Traffic Service - 1981 batch of the Civil Services Exam.

Prior to joining IRCTC, he has worked as Executive Director (Marketing) and Executive Director (Operations) in RVNL. The field of experience acquired by Sh. Kalita during his tenure in RVNL included project planning, development & financing and public relations & marketing. He has also acquired vast experience in commercial and catering, Container traffic during his posting in Ministry of Railways' Traffic Department.

His educational qualifications include LLB from J.B. Law College, (Gauhati University), M.A. (Economics Spl- Banking) from Gauhati University, B.Sc. (Economics Hons) from Cotton College, Guwahati (Gauhati University). His other qualifications include Certificate in German Language from Max Muller Bhawan, Calcutta (1978-79), Certificate in Multi Modal Transport Management from Westflanders Economische Studybureaux (WES), Brugge, Belgium [1992-93].

During his career, Shri Kalita has undergone numerous specialized trainings which include programmes like Consultant Selection Procedure of ADB by Asian Development Bank and Ministry of Finance, Government of India; Regional Workshop on Developing Bankable PPP Projects for Infrastructure Development by UNESCAP and Asian Institute of Transport Development, Capital Budgeting & Investment Decisions by ICWAI, Management Development Programme by IIM Indore, Infrastructure Development & Financing by IIM Ahmedabad.

Shri Kalita has travelled extensively in India and abroad. His abroad travel experiences include visits to Belgium, UK, France, Germany, Netherland, Luxembourg, Switzerland, Italy and Spain in 1992-93 and 1998; to USA as member of Group Study Exchange (GSE) programme of Rotary International in 1998. He has also represented Indian Railways in an Indian Trade Delegation to Bangladesh in 1996.

Shri Kalita is keenly interested in Music, Quiz, Acting, Anchoring, Sports Organising etc. He has sang & composed Music on TV/Radio, stage and in cassettes, has been conducting Quiz for 20 years on TV, Radio & circuit as Quiz Master; acted in films, TV serials, stage plays; direct plays; anchored shows and programmes on TV, Radio and stage. He has also served as National Headquarter Commissioner in the National Executive of Bharat Scouts & Guides, New Delhi, State Secretary and State Commissioner, N.F. Railway and State Chief Commissioner North Central Railway from 1989 till 2004.

Shri Kalita has won the President of India's "Silver Star" and "Silver Elephant" medals in 1998 and 2001 for his contribution to scouting movement, Railway Minister's medal for "Meritorious Service" in 1992 and Indian Railways' Silver Medal for his contribution to spread of Rajbhasha.

**C. Smt. Amritbir Kaur Brar, Director (Tourism & Marketing), appointed w.e.f. 1<sup>st</sup> January, 2014 - DIN 06780608**

Smt. Amritbir Kaur Brar is an officer in the Indian Railway Traffic Service (1985 Batch), which is one of the premier Civil Services of the Government of India.

In her career of 28 years, she has gained extensive field experience in handling bulk transportation in two crucial zones of the Indian Railways. In addition, Smt. Brar has also worked at the Zonal Headquarters (in the Marketing and Claims Departments), and has been involved in various levels of marketing activities, pricing, budgeting and planning.

She was awarded Gold Medal for topping the Officers Promotional Course at Railway Staff College in 1991, the prestigious and coveted General Manager's Award and Citation in 1992, for achieving a record loading of raw cotton traffic for export. For achieving a record recovery of the outstanding railway dues, Smt. Brar was given the General Manager's Award and Citation in 1995, for the second time.

In 1998, she was awarded a scholarship under the Joint Japan/World Bank Scholarship Program to do a Master's Program in Public Policy and Management from the University of Pittsburgh, U.S.A. Other academic qualifications include M.Phil in Economics, Panjab University, Chandigarh; M.A in Economics, Punjab University, Chandigarh.

**(vi) Criteria for appointment of Directors and their independence under section 149 of Companies Act, 2013**

As prescribed under Section 149 of new Companies Act 2013, a declaration from all the independent directors of the Company has been taken to the effect that they meet the criteria of independence and the same was placed in the meeting of Board of Directors, which was duly noted and recorded.

***Independent Directors Committee***

The Independent Directors committee was formed during the year to comply with the Code of Independent Directors as prescribed under Schedule IV of Companies Act, 2013 and Department of Public Enterprises (DPE)'s model Role and Responsibilities of non-official directors on the Board of CPSEs. The Committee acts in accordance with the scope provided under Companies Act, 2013 and DPE's guidelines.

S. No.	Name of Directors	Position	Meetings held	Meetings attended
1.	<b>Shri Alok Shivapuri</b>	Chairman	1	1
2.	<b>Shri Sanjay Arora</b>	Member	1	1
3.	<b>Dr. Subhash Dutta</b>	Member	1	1

**(vii) Policies and Codes framed under Corporate Governance**

At IRCTC, we strive to conduct our business and strengthen our relationships in a manner that are dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. In view of this, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of them are mentioned below:



- a. Board's Charter;
- b. Code of Business Conduct and Ethics for Board members and senior management;
- c. Code of conduct for employees;
- d. Review and compliance of applicable laws;
- e. Establishment of Risk Management Framework;
- f. Whistle blower policy.

### **3. Board Meetings, Committee meetings and Procedures:**

#### *a. Scheduling and selection of agenda for Board/Committee meetings*

- The meetings are convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board/ Committee. Detailed agenda notes, along with other explanatory statements, are circulated in advance among the members for focused discussion and effective decision-making during the meeting. When urgent issues need to be addressed, meetings are called at shorter notice or resolutions are passed by circulation, which are put up in the next meeting of the Board of Directors/Committee for confirmation.
- Wherever it is not practical to attach a document to the agenda item, being confidential in nature, the same is tabled at the meeting with approval of Chairman of the Board/Committee.
- In special and exceptional circumstances, additional or supplementary items are tabled during the meeting.
- The agenda papers are prepared by the concerned officials, sponsored by the concerned Functional Director/Head of Department and approved by the Chairman and Managing Director.
- Duly approved Agenda papers are circulated amongst the members of the Board/Committee by the Company Secretary or the convener of the Committee.
- The meetings are usually held at the Company's registered office.
- The members of the Board have complete access to all information of the Company. The Board is also free to recommend any issue that it may consider important for inclusion in the agenda.
- Presentations are made to the Board/Committee covering Finance, Catering, Tourism, Railneer, Internet Ticketing, CSR, Company Law developments, Human Resources, whenever required.

#### *b. Recording of minutes of the Board/Committee meeting*

Minutes of the proceedings of each Board/Committee meetings are duly recorded. Draft minutes are circulated amongst all members of the Board/Committee for their suggestions and comments. The comments received by the members are incorporated in the minutes, which are finally approved by the Chairman of the Board/Committee. The finalized minutes are entered in the Minutes Book. The minutes of the Board meeting are confirmed in the next meeting. Minutes of the meetings of the committees are included in the agenda of the Board meeting for information of the Directors.

*c. Follow-up Mechanism:*

Based on the guidelines laid down by the Board/Committee, an Action Taken Report on the decisions of the Board/Committee is placed in subsequent meetings of respective Board/Committee, which helps in effective reporting on follow-up and review of decisions.

*d. Compliance of laws:*

Your Company endeavors to ensure that all provisions of laws, rules and guidelines applicable to it are complied with. To ensure the same, a duly signed Statutory Compliance Certificate is obtained, on quarterly basis, from all the Departments at Corporate Office and from all the Zonal Offices, which is consolidated by Company Secretary and put up to Board of Directors in Board meeting quarterly for their review.

*e. Number of Board Meetings:*

During the financial year 2013-14, 6 (Six) meetings of the Board of Directors were held, the details of which are as below:

S. No.	Board Meeting	Date of Meeting
1.	61 <sup>st</sup>	18 <sup>th</sup> April, 2013
2.	62 <sup>nd</sup>	11 <sup>th</sup> July, 2013
3.	63 <sup>rd</sup>	14 <sup>th</sup> August, 2013
4.	64 <sup>th</sup>	8 <sup>th</sup> November, 2013
5.	65 <sup>th</sup>	20 <sup>th</sup> December, 2013
6.	66 <sup>th</sup>	12 <sup>th</sup> March, 2014

The maximum time gap between two board meetings was less than three months, as per the DPE's Guidelines on Corporate Governance. In all cases of absence of a Director, leave of absence was granted under clause (g) of sub-section (1) of section 283 of the Companies Act, 1956.

#### **4. Committees of Board**

In line with sound Corporate Governance framework, all statutory, significant and material information are placed before the Board to enable it to review the performance of the Company. Apart from statutory sub-committees viz. Audit Committee and Remuneration Committee, IRCTC has other Board level sub committees to implement the overall business strategy and creating value for the stakeholders, as approved by the Board of Directors. The minutes of sub-committees of the Board are also placed before the Board from time to time. Details of various sub-committees of the Board are forming part of Annual Report.

The Company has formed the following committees of Board of Directors of IRCTC:

- i. Audit Committee;
- ii. Remuneration Committee;
- iii. Executive Board;
- iv. CSR and SD Committee w.e.f. 8<sup>th</sup> November, 2013
- v. Administrative Committee



## (i) Audit Committee :

To strengthen the ethics and strong corporate governance practices, the Company has in place a qualified and independent Audit Committee of the Board of Directors, which includes all non-executive independent directors and one functional director; with the Chairman of Audit Committee having expertise in the area of finance and management.

### a. Terms of reference:

The Audit Committee had its Terms of Reference as per the erstwhile Companies Act 1956 and DPE Guidelines on Corporate Governance. However, in wake of new Companies Act 2013 which has become effective from 1<sup>st</sup> April, 2014, your Company has revised its Terms of Reference in accordance with the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

The Committee, in brief, has following revised Terms of Reference:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending fixation of audit fees to the Board.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors of any significant findings and follow-up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of



audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review functioning of the Whistle Blower mechanism.
13. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
14. To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit.
15. To review the follow-up action taken on the recommendations of the Parliament's Committee on Public Undertakings (COPU).
16. Provide an open avenue for communication between the Independent Auditors, Internal Auditor and the Board of Directors.
17. Approval or any subsequent modification of transactions of the company with related parties.
18. Review with the Independent Auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
19. Consider and review the following with Independent Auditor and management:
  - The adequacy of internal controls, including Computerized Information System Controls and Security, and
  - Related findings and recommendations of the Independent Auditor and Internal Auditor, together with management responses.
20. Consider and review the following with management, Internal Auditor and independent Auditor:
  - Significant findings during the year, including the status of previous audit recommendations, and
  - Any difficulties encountered during audit work, including any restrictions on the scope of activities or access to required information.
21. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
22. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
23. Scrutiny of inter-corporate loans and investments.
24. Valuation of undertakings or assets of the company, wherever it is necessary.
25. Evaluation of internal financial controls and risk management systems.
26. Monitoring the end use of funds raised through public offers and related matters (though not applicable, at present).
27. To oversee the establishment of vigil mechanism in the Company and to provide adequate safeguards against victimisation of persons and make provision for direct access to the Chairperson of the Audit Committee.
28. Any other function(s) as may be issued through Companies Act, 2013 and rules made there under and DPE Guidelines on Corporate Governance.

*b. Meetings, composition & attendance:*

As on 31<sup>st</sup> March, 2014 the Audit committee comprised of four (4) members including three (3) independent directors and one (1) functional director.

The Audit Committee met 4 times during the financial year 2013-14 on 10<sup>th</sup> July, 2013, 13<sup>th</sup> August,

# Indian Railway Catering and Tourism Corporation Ltd.



2013, 27<sup>th</sup> November, 2013 and 11<sup>th</sup> March, 2014 as per DPE's guidelines on Corporate Governance not more than four months elapsed between two consecutive meetings. As on March 31, 2014, the Audit Committee comprised of the following members:

S. No.	Name of Director	Position	Meetings held	Meetings attended
1.	<b>Shri Sanjay Arora</b>	Chairman	4	4
2.	<b>Shri Alok Shivapuri</b>	Member	4	4
3.	<b>Dr. Subhash Datta</b>	Member	4	4
4.	<b>Shri R.N. Kalita</b> (member w.e.f. 11 <sup>th</sup> July, 2013)	Member	4	4*

*Shri Kalita attended the meeting of Audit Committee of 10<sup>th</sup> July, 2013 as Special Invitee.*

Director (Finance) attends the Audit Committee meetings as permanent invitee.

The meetings are also attended by GGM (Finance), head of Internal Audit, representative of Statutory Auditors/Cost Auditors as special invitees. Senior functional executives are also invited as and when required to provide necessary inputs to the Committee.

Mrs. Suman Kalra, Company Secretary is the Secretary to the Committee.

## (ii) Remuneration Committee:

Remuneration Committee of the Company was constituted by the Board of Directors pursuant to clause 5.1 of the guidelines on Corporate Governance issued by Department of Public Enterprises, to decide the annual bonus/PRP pay pool and policy for its distribution as per the recommendations of 2<sup>nd</sup> IDA Pay Revision Committee.

The Remuneration Committee met once during the financial year 2013-14 on 20<sup>th</sup> December, 2013. As on 31<sup>st</sup> March, 2014, the Committee comprised of four directors including three part-time (non-officials) independent directors and one part-time official director.

The details of the meetings held during financial year 2013-14 along with the attendance of the members are mentioned below:

S. No.	Name of Directors	Position	Meetings held	Meetings attended
1.	<b>Dr. Subhash Dutta</b>	Chairman	1	1
2.	<b>Shri Sanjay Arora</b>	Member	1	1
3.	<b>Shri Alok Shivapuri</b>	Member	1	1
4.	<b>Smt. Mani Anand</b>	Member	1	1

Mrs. Suman Kalra, Company Secretary is the Secretary to the Committee.

**Remuneration of Directors:** IRCTC, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of functional Directors are fixed by President of India through Ministry of Railways. The Functional Directors other than those on deputation draw remuneration under

Industrial Dearness Allowance (IDA) pattern of pay scale and as per the terms and conditions issued by Government of India from time to time.

During the financial year 2013-14, the Company has made the following payments to Whole-time Directors:

(in ₹)

S. No	Name of Directors	Salary	Lease/ Licence Fees	Performance Related Pay/Ex-Gratia Payment	Retirement Benefit (EPF or FSC)	Bonus/ Ex-gratia	Stock options	Total
1.	<b>Shri Rakesh Kumar Tandon (DIN 02517137)</b> Chairman & Managing Director (ceased w.e.f. 04 <sup>th</sup> January, 2014)	16,53,785	5,19,750	4,96,575	3,91,000	Nil	NA	30,61,110
2.	<b>Shri M.P. Mall (DIN 02316235)</b> Director (Finance)	24,65,328	6,65,000	2,06,205	2,57,134	Nil	NA	35,93,667
3.	<b>Shri R.N. Kalita (DIN 00843481)</b> Director (CS) (appointed w.e.f. 10 <sup>th</sup> July, 2013)	18,90,193	2,37,774	Nil	2,25,301	Nil	NA	23,53,268
4.	<b>Smt Amritbir Kaur Brar (DIN 06780608)</b> Director (T&M) (appointed w.e.f. 1 <sup>st</sup> January, 2014)	5,29,975	1,47,000	Nil	1,26,147	Nil	NA	8,03,122
	<b>Total</b>	<b>65,39,281</b>	<b>15,69,524</b>	<b>7,02,780</b>	<b>9,99,582</b>	<b>Nil</b>	<b>NA</b>	<b>98,11,167</b>

The part-time official (Government Nominees) Directors on the Board of the Company do not draw any remuneration from the Company. They only draw remuneration from their administrative Ministry.

The part time non-officials (independent) Directors are not paid any remuneration except sitting fees of ₹ 15,000/- for attending each meeting of the Board or Committee thereof. The details of sitting fee paid to Independent directors during the year 2013-14 are given below:

(in ₹)

S. No.	Name of Independent Director	Sitting fee		Total
		Board Meetings	Committee Meetings	
1	Sh. Sanjay Arora	85,000	70,000	1,55,000
2	Dr. Subhash Datta	85,000	1,10,000	1,95,000
3	Sh. Alok Shivapuri	75,000	1,15,000	1,90,000

**(iii) Executive Board****a. Terms of Reference:**

The Executive Board has been constituted to prepare and draft the policy (ies) of recruitment, absorption and channels of promotion in IRCTC for officers/staff (below executive level); permanent absorption rules and also to make adjustments in the said policies so as to safeguard the best interest of IRCTC, in line with existing practices and DPE guidelines, if any, issued in this regard.

The Executive Board met 3 (three) times during the financial year 2013-14 on *1<sup>st</sup> July, 2013, 20<sup>th</sup> January, 2014 and 14<sup>th</sup> March, 2014*. As on 31<sup>st</sup> March, 2014, the Committee comprised of the following members:

S. No.	Name of Directors	Position	Meetings held during respective tenure	Meetings attended
1.	<b>Shri. Rakesh Kumar Tandon, CMD</b> (till 4.01.2014)	Chairman	1	1
2.	<b>Shri M.P.Mall, Director(Finance)</b>	Member	3	3
3.	<b>Shri R.N. Kalita, Director(CS)</b>	Member	2	2
4.	<b>Smt. A.K. Brar, Director (T &amp; M)</b>	Member	2	2

Mrs. Suman Kalra, Company Secretary is the Secretary to the Committee.

Senior functional executives are also invited to attend the meetings of the Executive Board, as and when required.

**(iv) CSR and SD Committee w.e.f 8<sup>th</sup> November, 2013**

The Board level Committee on Corporate Social Responsibility and Sustainable Development was constituted in the 64<sup>th</sup> Board meeting of IRCTC held on 8th November, 2013. Prior to the CSR and SD committee, the Corporate Social Responsibility activities of the Company were implemented through IRCTC CSR Foundation in the form of a registered Trust which was decided to be dissolved pursuant to Board of Director's decision dated 8<sup>th</sup> November, 2013.

The Terms of Reference of CSR & SD Committee includes overseeing the implementation of the CSR and Sustainability policies of the Company and to assist the Board to formulate suitable policies and strategies to take the CSR and Sustainability agenda of the Company forward in the desired direction.

The CSR Foundation met once during the financial year 2013-14 on *22<sup>nd</sup> July, 2013* and the CSR and SD Committee met three times during the financial year 2013-14 on *22<sup>nd</sup> January, 2014, 25<sup>th</sup> February, 2014 and 31<sup>st</sup> March, 2014*. The CSR Foundation and CSR and SD Committee comprised of the following members respectively:

## CSR Foundation:

S. No.	Name of Trustees	Position	Meetings held	Meetings attended
1.	<b>Shri Rakesh Kumar Tandon</b> <b>Chairman and Managing Director (till 04.01.2014)</b>	Chairman & Managing Trustee	1	1
2.	<b>Shri M.P. Mall</b> <b>Director (Finance)</b> <i>(additional charge of CMD w.e.f 5<sup>th</sup> January, 2014)</i>	Trustee	1	1
3.	<b>Shri R.N. Kalita</b> <b>Director (Catering Service)</b>	Trustee	1	1
4.	<b>Shri Alok Shivapuri</b> <b>Independent Director</b>	Trustee	1	1
5.	<b>Mrs. Maitreyee Brahmo</b> <b>GGM(HRD)</b>	Trustee	1	1

## CSR and SD Committee:

S. No.	Name of Directors	Position	Meetings held	Meetings attended
1.	<b>Shri M.P. Mall, Director (Finance)</b>	Chairman	3	3
2.	<b>Shri R.N. Kalita, Director (Catering Services)</b>	Member	3	3
3.	<b>Smt. Amritbir Kaur Brar, Director (Tourism &amp; Marketing)</b>	Member	3	1
4.	<b>Smt. Mani Anand, Government Director</b>	Member	3	2
5.	<b>Shri Alok Shivapuri, Independent Director</b>	Member	3	2
6.	<b>Dr. Subhash Datta, Independent Director</b>	Member	3	3

Mrs. Suman Kalra, Company Secretary is the Secretary to the Committee.

Mrs. Maitreyee Brahmo, GGM (HRD), nodal officer of the CSR & SD Committee, is permanent invitee to the meetings of the Committee.

### (v) Administrative Committee

The Administrative Committee has been constituted to deal with routine work regarding financial operations related to Banks, registration with government authorities, to engage professional agencies for streamlining the existing and proposed business of the Company etc.

The Committee met 6 (six) times during the financial year 2013-14 on following dates:





16<sup>th</sup> May, 2013, 29<sup>th</sup> July, 2013, 12<sup>th</sup> August, 2013, 21<sup>st</sup> November, 2013, 20<sup>th</sup> December, 2013 and 20<sup>th</sup> February, 2014.

S. No.	Name of Directors	Position	Meetings held during respective tenure	Meetings attended
1.	<b>Sh. Rakesh Kumar Tandon, CMD ( till 04.01.2014)</b>	Chairman	5	5
2.	<b>Shri M.P.Mall, Director(Finance)</b> <i>additional charge of CMD w.e.f 5<sup>th</sup> January, 2014)</i>	Member	6	6
3.	<b>Shri R.N. Kalita, Director(CS)</b>	Member	5	5
4.	<b>Smt. A.K. Brar, Director (T &amp; M)</b>	Member	1	1

Mrs. Suman Kalra, Company Secretary is the Secretary to the Committee.

## 5. Other Functional Committees

Apart from the above, the Board also from time to time, constitutes Functional Committees with specific terms of reference as it may deem fit. Meetings of such Committees are held as and when the need for discussing the matter concerning the purpose arises. Time schedule for holding the meetings of such Committees is finalized in consultation with the Committee members.

## 6. Shareholding Pattern:

IRCTC is not listed in any Stock Exchange in India or abroad. Since the entire equity share capital of the Company is held by President of India through Ministry of Railways and its nominees, the Company has not constituted a Shareholders Grievance Committee.

## 7. General Body Meetings:

Details of last three Annual General Meetings of the company are as under:

AGM	Date	Day	Time	Location
12 <sup>th</sup>	22.09.2011	Thursday	1800 Hrs.	Room No.237, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001
13 <sup>th</sup>	27.09.2012	Thursday	1500 Hrs.	Room No.237, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001
14 <sup>th</sup>	27.09.2013	Friday	1530 Hrs.	Room No.237, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001

### Note:

No Special Resolutions were put up at any of above three Annual General Meetings.

## 8. Disclosures

- (i) During the year, there were no transactions of material nature with the directors or the management or their relatives that had potential conflict with the interests of the company.
- (ii) The details of related party disclosures have been covered as part of notes to accounts.
- (iii) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any accounting standard.
- (iv) None of the non-official part-time Directors had any pecuniary relationship or transactions with the company during the financial year 2013- 2014.
- (v) During the last three years, there has been no instance of penalty imposed on the Company by any statutory authority owing to non-compliance under applicable laws.
- (vi) No items of expenditure have been debited to books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management except which are as per terms of appointment as contractual obligations.
- (vii) The Company has taken full initiatives to comply with the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE). In accordance with the guidelines, IRCTC evolved a Code of Business Conduct and Ethics for its Board members and senior management personnel and has also included Corporate Governance and Management discussion and Analysis Report in the Directors' Report for the financial year 2013-14
- (viii) Your Company has filed the quarterly and annual reports on Corporate Governance with the Ministry of Railways within the stipulated time, as stipulated by DPE's guidelines on Corporate Governance.
- (ix) *Details of Administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses - The administrative and office expenses were at 11.92% of total expenses in the year 2013-14.*

## 9. Means of Communication

The Audited Annual Financial results, Annual Reports, Corporate Governance Manual and Board Charter, Performance MOU between IR and IRCTC, Code of Business Conduct and Ethics, CSR & Sustainability Policy are displayed on IRCTC's official website i.e. [www.irctc.com](http://www.irctc.com). Tenders of various departments, details of tenders/contracts awarded alongwith other official news releases are also uploaded on the website of IRCTC. In line with the role as leading service provider like Rail Tourism, Catering services, Rail ticketing services etc, IRCTC took steps to improve Corporate Communication.



## 10. Training of Board Members

IRCTC, as per the principles of Corporate Governance, takes initiatives from time to time to train its Board members about IRCTC's business model, risk profile and the most appropriate ways in which they can discharge their responsibilities. As a practice, on the joining of a new Director on the Board, the documents related to the Company are provided to him/her, including Annual reports, Memorandum and Articles of Association, MOUs between IRCTC and Ministry of Railways and they are also imparted training on Corporate Governance, model code of business ethics and conduct applicable for the respective Directors.

## 11. Whistle Blower Policy

IRCTC promotes ethical behaviour in all its business activities and has put in place a mechanism for all its employees and clients to report about any illegal or unethical behavior, actual or suspected fraud to the CVO or the Chairman & Managing Director directly. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. To further strengthen the mechanism, the Company has also adopted the "Whistle Blower policy" in September, 2011 and same is available on the website of the Company i.e. [www.irctc.com](http://www.irctc.com).

## 12. Code of Business Conduct and Ethics for Directors/Senior Management Personnel

As per the guidelines of Department of Public Enterprises, after approval of the Board of Directors of IRCTC, the Company has laid down its Code of Business Conduct and Ethics alongwith IRCTC's Key Value for the Board Members and Senior Management Personnel. A copy of the Code has been put on the Company's official website i.e. [www.irctc.com](http://www.irctc.com).

Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is given as **Annexure - B-1**.

## 13. CEO/CFO Certification

The certificate duly signed by Shri M.P. Mall, Director (Finance) and CMD, as presented to the Board of Directors is placed as **Annexure - B-2**.

## 14. Rating on Corporate Governance by Department of Public Enterprises

In May, 2010 the Department of Public Enterprises (DPE) notified mandatory Guidelines on the Corporate Governance, 2010 for CPSEs.

Department of Public Enterprises has rated IRCTC as "Excellent" under the category of Corporate Governance during 2012-13. On the basis of self evaluation, the Company expects to achieve an "Excellent" rating this year also.

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**DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2013-14.**

I, M.P. Mall, Chairman & Managing Director, Indian Railway Catering and Tourism Corporation Ltd, do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct and Key Values of the Company during 2013-14.

**Sd/-**  
**M.P. Mall**  
**Director Finance and CMD (additional charge)**  
**(CFO and CEO)**

**Place: New Delhi**  
**Dated: 13.08.2014**

**ANNEXURE B-2****CEO AND CFO CERTIFICATION**

**To,**  
**The Board of Directors**  
**Indian Railway Catering and Tourism Corporation Limited**  
**New Delhi**

- (a) I have reviewed financial statements and the cash flow statement of Indian Railway Catering and Tourism Corporation Ltd for the year ended 31st March, 2014 and that to the best of my knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2013-14 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) There was no instance of significant fraud of which we are not aware nor there has been involvement of management or an employee having significant role in the Company's under internal control system over financial reporting.
- (e) There were no significant changes in internal control over financial reporting during the year 2013-14.
- (f) There were no significant changes in accounting policies during the year 2013-14.

**Sd/-**  
**M.P. Mall**  
**Director Finance and**  
**CMD (additional charge)**  
**(CFO and CEO)**

**Place: New Delhi**  
**Dated: 13.08.2014**



Balika Sharma & Associates  
(Company Secretary)

**ANNEXURE B-3**

Address : Flat No. 211,  
Pocket A/3,

Sector -7, Rohini, New Delhi,

Pin Code -110085

Phone :011 -27931217

Mobile: 9811387946

E mail : balikasharma@gmail.com

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## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
Indian Railway Catering and Tourism Corporation Limited

We have examined the compliance of conditions of Corporate Governance by **INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**, for the Financial Year ended on 31<sup>st</sup> March, 2014 as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprise (DPE), Government of India.

The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Guidelines.

We further state that such compliance is neither an assurance as to the viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR BALIKA SHARMA & ASSOCIATES**  
Practicing Company Secretaries

Sd/-

Balika Sharma  
(Proprietor)

CP.No. 3222

M.No. 4816

Place: New Delhi

Date: August 13, 2014

ST No. : AMAPS 9564 KST 001



**Report on Corporate Social Responsibility (CSR) and Sustainability****1. IRCTC's Corporate Social Responsibility and Sustainability Policy**

The Company has a duly approved Corporate Social Responsibility and Sustainability Policy by the Board of Directors to undertake the initiatives under CSR and Sustainability within the ambit of Department of Public Enterprises' guidelines. The policy document is not a mere statement of good intentions, but has been drafted to serve as a roadmap for formulation of actionable plans.

IRCTC through its CSR & Sustainability initiatives will endeavour to achieve the below-mentioned Key Value behind CSR & Sustainability Policy:

*"To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including railway passengers, customers, consumers, shareholders, employees, local community and society at large".*

**2. Aims and objectives**

CSR & Sustainability activities are being implemented to meet the broad objectives underlined in the Policy:

- Implementation in project mode;
- Focus on periphery of project areas of IRCTC;
- Inclusive growth of society with emphasis on development of weaker sections of society and in the backward districts of the country ;
- Realization of UN Millennium Development Goals.

**3. IRCTC's CSR and Sustainability Committees:**

As per DPE's Guidelines, setting up of Two Tier organization structure has been advised to steer CSR and Sustainability agenda and to ensure implementation of activities and utilization of funds in a time bound manner.

Accordingly, IRCTC has devised a two tier organizational structure for CSR and Sustainability which includes:

- (i) **Tier-I:** Board Level Committee headed by the Chairman and Managing Director and;
- (ii) **Tier-II:** Below Board level Committee headed by the GGM(HRD), Nodal Officer

***Tier-I : Board Level CSR and Sustainability Committee*****Composition:**

❖ Chairman & Managing Director	:	Chairperson
❖ Director (Finance)	:	Member
❖ Director (Catering Services)	:	Member
❖ Director (Tourism & Marketing)	:	Member
❖ Smt. Mani Anand, Government Director	:	Member



- ❖ Shri Alok Shivapuri, Independent Director : Member
- ❖ Dr. Subhash Datta, Independent Director : Member

## **Tier-II : Below Board Level Committee**

### **Composition:**

The composition of Tier-II -- Below Board level Committee to be headed by nodal officer is as mentioned below:

- ❖ GGM (HRD) : Chairperson & Nodal Officer for Board Level Committee
- ❖ GGM/Finance : Member

Third member would be inducted/co-opted in the Committee from Representative(s) of other Departments depending upon the nature of project undertaken.

## **4. Budget for the year 2013-14 and expenditure on IRCTC's CSR and Sustainable Development activities**

The Budget for carrying out CSR and Sustainable Development activities of the Company was ₹ 1,76,53,000/-; based on 3% of PAT of 2012-13, approved through Board resolution dated 8<sup>th</sup> November, 2013.

Party	Amount Spent during 2013-14
<b>CORPORATE SOCIAL RESPONSIBILITY</b>	
Sulabh Sanitation Mission(Maintenance of complex – Anand Nagar)	2,16,000/-
Construction of Toilet complex at Sanauli, U.P	3,85,939/-
Development of Model village – SUPI, Uttarakhand	5,05,680/-
Development of Campus at Dwarka Sector 9, New Delhi	1,00,00,000/-
Virasat 2012 event	3,00,000/-
Relief & Rehab for flood affected areas of Uttarakhand	50,00,000/-
Impact Assessment of project at Supi, Uttarakhand	22520/-
Sponsoring education to children of poor widows – Loomba Foundation	6,00,000/-
Provision of Primary Medical Facility at Kushinagar	9,60,000/-
Development of Model village at Malla Salya Kot	32,11,200/-
Provision of clean RO drinking water at Northern Railway Central Hospital	4,92,076/-
Training on CSR and SD; plantation in Rail Neer plants etc.	15,66,057/-
<b>SUSTAINABLE DEVELOPMENT</b>	
Provision for outdoor solar lighting system at CK, Noida & RNP, Nangloi	2,39,400/-
Energy Audit of Major Load centre viz. e-ticketing and Central kitchen, Noida	48,500/-
<b>Total</b>	<b>2,35,47,372/-</b>

## 5. Initiatives taken under CSR and Sustainable Development during the year and status of progress made:

During the year, the following CSR projects/initiatives were undertaken:

- ❖ **Sponsoring education to children of poor widows:** In this project, IRCTC in association with Loomba Foundation undertook funding the educational expenditure of 100 children of poor widows in the state of Delhi, for 12 months @ ₹ 500/- per child per month with total expenditure of ₹ 6,00,000/- for a year. In this project, those children were chosen who have lost their father and the income of the widowed mother was less than ₹ 3000 per month. The project has been completed.
- ❖ **Development of Model village - Mall Salya Kot:** In order to develop a Model village at Malla Salya Kot, Uttarakhand for improving the livelihoods of rural population, a project has been undertaken in association with TERI. The total cost of the project is ₹ 53,52,000/- which includes maintenance cost of ₹ 50000/- per year for a period of 5 years. The project shall directly benefit 30 families of Malla Salya Kot village by constructing Rain Water Harvesting System, advancing Agriculture & Horticulture by providing high yield & hybrid seeds, agricultural tools, alternate Energy Solutions i.e. Solar lanterns with recharging units & upgradation of hardware of the existing Community Radio. The project has commenced in the month of October 2013. The timeline to complete the project is 18 months.
- ❖ **Construction & Maintenance of Toilet complexes:-** Considering the problem of sanitation in the country, a project for construction of Sulabh Toilet Complexes was undertaken in association with Sulabh International. Under this project, 1 Toilet Complex each will be constructed at Sanauli in Maharajganj District, Uttar Pradesh & Sawai Madhopur, Rajasthan for tourists & other local residents. The total cost of the project will be ₹ 25.59 lac. The construction of toilet complex at Sanauli has been completed. In addition to this, IRCTC has already completed a project at Anand Nagar in the district of Maharajganj, Uttar Pradesh in March 2012. The toilet complex is being extensively used by hundreds of tourists & other local residents. IRCTC in association with Sulabh International has been maintaining the toilet complex & has contributed ₹ 2.16 lac during the year 2013-14.
- ❖ **Sponsoring of Cataract surgery:** IRCTC in association with Mahavir International is sponsoring Cataract Surgery for 500 people @ ₹ 1500/- per operation with the total budget of ₹ 7,50,000/-. Mahavir International provides medical aid to unreachable persons at their door step. The organization detects Cataract cases during their camps organized at far flung places, JJ clusters & resettlement colonies in Delhi/NCR. Such cases are then detected and after due examination at the camp, the patients are operated upon in their hospitals. Free pick-up & drop facility is also provided to the patients. The Cataract surgeries with IOL implants are carried out by qualified surgeons at the state-of-art operation theatres at various hospitals of Mahavir International. The first phase of the project has been completed.



- ❖ **Relief & Rehab for flood affected areas of Uttarakhand:** As seen, Uttarakhand, during June 2013, has witnessed one of the most disastrous flood and landslide in the country's history leading to several thousand deaths & huge damage to the private & public properties in Uttarakhand. IRCTC, with a view to support the relief & rehabilitation efforts of the Govt. of Uttarakhand, contributed a sum of ₹ 50 lacs (Fifty Lacs) under its CSR activity.
- ❖ **Distribution of scholarship to meritorious students at Palur, Tamil Nadu:** In order to support the education of economically backward students & to boost their morale, IRCTC extended scholarship & certificates to meritorious students of Govt. Adi Dravidar Welfare Higher Secondary School at Palur. Scholarship was distributed to 18 students (14 in XII standard from different streams and 4 in X standard.).
- ❖ **Installation of 2 RO water machines at Central Hospital, Northern Railway:** With a view to enhance the Health Services at the Central hospital & to counter issues relating to lack of pure drinking water facility, IRCTC, under its CSR activity, installed 2 RO Pure drinking water machines (with provision for dispensing chilled water) at Central Hospital, New Delhi. The cost of the project was ₹ 4.92 lac (including AMC for the year).
- ❖ **Development of Campus at Dwarka Sector 9 - AITD:** IRCTC has contributed for construction of campus at Dwarka Sector 9 - Asian Institute of Transport Development devoted to education, training and non-partisan research and studies in an interdisciplinary perspective in infrastructure sector with special focus on transport and logistics. The campus spreads over five acre plot of land and is being developed in two phases. The first phase consists of the teaching block, the library and a state-of-the-art IT centre. The second phase will be taken up later and will comprise of a 90 room hostel for scholars and visiting faculty. IRCTC has contributed ₹ 1 crore for this project during the FY 2013-14.

## Sustainable Development:

During the year 2013-14, the Company undertook the following projects under Sustainable Development. The achievements and completion of the projects is produced below:

- ❖ **Use of solar energy at food factory Noida** - During the financial year 2013-14, outdoor solar lights have been provided at Central Kitchen, Noida as well as at Rail Neer Plant at Nangloi. The order for provision of outdoor solar lighting for IRCTC units at Central Kitchen, Noida and RNP, Nangloi was awarded to M/s Tata Power Solar Systems Limited with target for completion by 31-12-2013. The work was completed successfully within the stipulated time frame.
- ❖ **Energy Audit of major load centres viz. e-ticketing and Central Kitchen, Noida** - For energy audit of IRCTC's major load centres, the order was given to M/s A2Z Maintenance and Engineering Services Ltd. The energy audit at IRCA Building e-ticketing centre and at Central Kitchen, Noida was successfully completed by the firm within the stipulated date 31-10-2013. The firm submitted the energy audit report in the month of October 2013.

**6. Projects completed during 2013-14:**

The following projects were completed during 2013-14:

- Sponsoring education to children of poor widows
- Distribution of scholarship to meritorious students at Palur, Tamil Nadu
- Installation of 02 RO water machines at Central Hospital, Northern Railway
- Development of Model village - Supi, Uttarakhand
- Provision for outdoor solar lighting system at CK, Noida & RNP, Nangloi
- Energy Audit of Major Load centre viz. e-ticketing and Central kitchen, Noida

**7. CSR & Sustainability plans for 2014-15:**

The Company has implemented its Corporate Social Responsibility (CSR) & Sustainability policy with the aim to ensure that the Company becomes a socially responsible corporate entity contributing towards quality of life of the society at large without compromising on ecological conditions. Projects that are proposed to be undertaken during the year 2014-15 are as follows:

S.No.	Project name
1	Primary Medicare Facility for elderly & needy at Kushi Nagar, U.P in association with HelpAge India
2	Provision of Clean RO treated drinking water in Railway/ Non-Railway public places
3	Installation of PET bottle Crushing machine at selected Railway stations
4	Provid ing of Automatic Power Factor Corrector (APFC) capacitor panel for saving electricity cost at Central Kitchen, Noida

**8. Budget for the year 2014-15:**

As per the new Companies (Corporate Social Responsibility Policy) Rules, 2014 applicable w.e.f. 1<sup>st</sup> April, 2014, the prescribed CSR expenditure shall be 2% of the average net profit of the last three financial years.

In view of above, the CSR expenditure for the year 2014-15 will be allocated in accordance with the provisions of Section 135 of new Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and guidelines of Department of Public Enterprises on the same.

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**Bhushan Bensal Jain Associates  
CHARTERED ACCOUNTANTS**

**4648/21, DARYAGANJ,  
NEW DELHI 110002.**

**Phones: 23261054,**

**Fax : 23252876**

**E-mail: bbjassociates\_rb@yahoo.co.in**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**INDIAN RAILWAY CATERING & TOURISM CORPORATION LIMITED**

### **REPORT ON THE FINANCIAL STATEMENTS**

1. We have audited the accompanying financial statements of **INDIAN RAILWAY CATERING & TOURISM CORPORATION LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes to Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
  - ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
  - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## MATTER OF EMPHASIS

Without qualifying our opinion, we draw attention to note no.33.3, 34 & 35 to the financial statements in respect of dispute with Cox & Kings Ltd., reconciliation of PG accounts and reconciliation of trade receivables respectively.

7. *We draw attention to the point no. 33.3 with regard to litigation with Cox & Kings Ltd. in respect of joint venture company Royale India Rail Tours Ltd. (RIRTL). Based on legal opinion available with the Company and in view of the termination of the joint venture agreement, the IRCTC is of the view that Cox & Kings Ltd. cannot invoke arbitration clause in relation to the reliefs sought.*
8. *The Company is handling Electronic ticketing of Indian Railway reservations for which five payment gateway accounts and more than 30 net banking accounts are being used for making reservation on the Indian Railway's network. These accounts have not been reconciled since the inception of accounts in the books of IRCTC. The Company has taken initiative to reconcile these accounts with the help of software developed for this purpose. However, differences are still persisting. Refer point no.34.*
9. *Trade Receivables, Trade Payables and Security Deposits are unconfirmed and un reconciled. The reconciliation with various parties including Indian Railways is in progress. Refer point No.35.*

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies



(Auditor's Report) (Amendment) Order 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

**11. As required by Section 227(3) of the Act, We report that:**

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- iii) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) The Company is a Government Company and the Directors have been appointed by the Central Government. Hence clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 is not applicable and hence no comments.

**For Bhushan Bensal Jain Associates**  
**Chartered Accountants**  
**FRN:003884N**

**Sd/-**  
**(CA. Ravi Bhardwaj )**  
**Partner**  
**Membership No. 80656**

**Place: New Delhi**

**Date :13<sup>th</sup> August, 2014**

**ANNEXURE REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS PARAGRAPH 10 OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF INDIAN RAILWAY CATERING & TOURISM CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014**

- i) a) As informed to us and based on our examination of the records of the Company, the Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
b) Based on our examination and as explained to us, there is an adequate system of physical verification, once a year by the Management having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year by the management.  
  
c) During the year, the company has not disposed off any substantial part of its fixed assets; therefore, it does not affect the going concern assumption.
- ii) a) According to information and explanation given to us the inventories have been physically verified during the year. The discrepancies noticed have been adjusted, as informed to us.  
  
b) In our opinion and as explained to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
  
c) On the basis of our examination and explanation given to us, the inventory records by & large, are proper.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence no further comments are required under clauses (a) to (d) of para 4 (iii) of CARO, 2003.
- iv) In our opinion and according to the information and explanations given to us, internal control procedure for purchase of inventory and fixed assets and for providing of services needs to be strengthened. Further, on the basis of our examination and according to the information and explanations given to us, we have not observed any continuing failure or major weaknesses which need to be corrected in internal control systems, except as mentioned in our Audit Report.
- v) Based on our examination and according to the information and explanations given to us, we are of the opinion that there were no transactions during the year that need to be entered in the Register maintained under Section 301 of the Companies Act 1956.
- vi) Based on our scrutiny of the company's record & according to the explanations given to us by the management, the Company has not accepted any deposits from public during the year.
- vii) The internal audit of the Company is being carried out by a firm of Chartered Accountants. The scope given is commensurate with the size and nature of company's business.
- viii) As informed to us the Central Government has prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and the cost records have been maintained by the Company.



ix) a) As informed to us, and based on our examination of records and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty and Excise Duty whichever is applicable with the appropriate authorities. However, as on 31<sup>st</sup> March, 2014, an amount of ₹ 29.14 lakh was outstanding on account of statutory dues outstanding for a period of more than six months from the date they became payable and the same are not disputed on any forum.

b) According to the information made available to us, following are the amounts which have not been deposited because of disputes :

<b>Statute</b>	<b>Amount (₹ in lakh)</b>	<b>Forum at which dispute is pending</b>
Service Tax-SZ	679.03	Madras High Courts
Service Tax	45.72	Commissioner of Central Excise, (Appeal)Kolkatta

x) The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year ended 31<sup>st</sup> March, 2014 and in the immediately preceding financial year.

xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution. The Company has not issued any debentures.

xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The Company is not a chit fund company, nidhi/mutual benefit fund/societies, therefore, no comment is required to be given under para 4 (xiii) of CARO, 2003.

xiv) The Company is not dealing or trading in any shares, securities, debentures and other Investments. Accordingly the provisions of clause 4 (xiv) of CARO is not applicable to the company.

xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.

xvi) In our opinion and according to information and explanations given to us, the company has not raised any loans.

xvii) On the basis of information and explanations given to us, and on an overall examination of the financial statements of the company, no funds have been raised on short-term basis. Hence, no comments required.

xviii) According to the information and explanation given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix) The Company has not issued any debentures, therefore, no comment is required to be given under para 4 (xix) of CARO, 2003.



- xx) The Company has not raised any money by public issue, therefore, no comment is required to be given under para 4 (xx) of CARO, 2003.
- xxi) According to the information and explanations given to us no fraud on or by the Company has been reported during the year.

**For Bhushan Bensal Jain Associates  
Chartered Accountants  
FRN:003884N**

**Sd/-  
(CA. Ravi Bhardwaj )  
Partner  
Membership No. 80656**

**Place: New Delhi  
Date :13<sup>th</sup> August, 2014**

# Indian Railway Catering and Tourism Corporation Ltd.



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.			
BALANCE SHEET AS ON 31st MARCH, 2014			
PARTICULARS	NOTE NO.	AMOUNT (₹ In Lakh)	
		31.03.2014	31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	2,000.00	2,000.00
(b) Reserves and Surplus	4	32,691.69	27,177.32
<b>(2) Non-Current Liabilities</b>			
(a) Other Long term liabilities	5	11,332.37	9,496.56
(b) Long term provisions	6	3,322.95	2,022.04
<b>(3) Current Liabilities</b>			
(a) Trade payables	7	3,331.18	5,441.59
(b) Other current liabilities	8	41,728.30	39,220.32
(c) Short-term provisions	9	2,047.89	1,428.05
<b>TOTAL</b>		<b>96,454.38</b>	<b>86,785.88</b>
<b>II. Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	10,820.54	11,022.28
(ii) Intangible assets	10	222.18	377.63
(iii) Capital work-in-progress	10	1,606.16	439.90
(b) Non-current investments	11	-	-
(c) Long term loans and advances	12	3,191.52	1,308.56
(d) Other Non Current Asset	13	12,514.20	16,268.24
<b>(2) Current Assets</b>			
(a) Inventories	14	953.03	907.82
(b) Trade receivables	15	18,003.81	11,246.61
(c) Cash and Bank Balance	16	34,807.63	31,774.23
(d) Short-term loans and advances	17	12,878.64	12,087.73
(e) Other current assets	18	1,456.67	1,352.88
<b>TOTAL</b>		<b>96,454.38</b>	<b>86,785.88</b>

General Information 1  
Summary of significant accounting policies 2

## THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

In terms of our report of even date appended here to  
**For Bhushan Bensal Jain Associates**  
Chartered Accountants

**For and on behalf of Board of Directors**

Sd/-  
Ravi Bhardwaj  
Partner  
  
M.NO: 080656  
FIRM REG. NO : 003884N

Sd/-  
M.P. Mall  
Director (Finance) & CMD  
(CEO & CFO)

Sd/-  
R.N. Kalita  
Director  
(Catering Services)

Sd/-  
A.K. Brar  
Director  
(Tourism & Marketing)

Sd/-  
Suman Kalra  
Company Secretary

Place: New Delhi.  
Date : 13.08.2014

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.			
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014			
Particulars	Note No	AMOUNT (₹ In Lakh)	
		31.03.2014	31.03.2013
I. Revenue from operations (Gross)	19	92,629.17	68,077.76
LESS : Excise Duty		(1,122.83)	(898.18)
Revenue from operations (Net)		91,506.34	67,179.58
II. Other Income	20	3,780.93	4,416.13
<b>III. Total Revenue (I +II)</b>		<b>95,287.27</b>	<b>71,595.71</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	21	9,546.76	9,197.27
Purchase of Stock-in-Trade	22	13,958.17	12,484.36
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(73.32)	(291.87)
Expenses of Licencee Catering Services	24	1,073.71	715.91
Expenses of Tourism	25	27,586.75	15,836.66
Manufacturing & Direct Expenses	26	3,574.34	3,125.00
Employee benefit expense	27	15,637.39	12,470.75
Financial costs	28	15.83	12.99
Depreciation and amortization expense	29	1,676.06	1,602.11
Other expenses	30	8,722.29	6,500.21
<b>IV. Total Expenses</b>		<b>81,717.98</b>	<b>61,653.38</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		13,569.29	9,942.33
VI. Exceptional Items	31	192.89	300.57
VII. Profit before extraordinary items and tax (V - VI)		13,376.40	9,641.76
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		13,376.40	9,641.76
X. Tax expense:			
(1) Current tax		5,755.63	3,486.75
(2) Deferred tax			
XI. Profit/(Loss) from the period from continuing operations (IX-X)		7,620.77	6,155.00
XII. Profit/(Loss) from discontinuing operations	32	(635.28)	(400.90)
XIII. Tax expense of discontinuing operations	32	(215.93)	(130.07)
XIV. Profit/(Loss) from discontinuing operations (XII - XIII)		(419.35)	(270.83)
XV. Profit/(Loss) for the period (XI + XIV)		7,201.42	5,884.18
XVI. Earning per equity share:			
(1) Basic (in `)		36.01	29.42
(2) Diluted (in `)		36.01	29.42

**THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.**

In terms of our report of even date appended here to

**For Bhushan Bensal Jain Associates**  
Chartered Accountants

**For and on behalf of Board of Directors**

Sd/-  
Ravi Bhardwaj  
Partner

Sd/-  
M.P. Mall  
Director (Finance) & CMD  
(CEO & CFO)

Sd/  
R.N. Kalita  
Director  
(Catering Services)

Sd/-  
A.K. Brar  
Director  
(Tourism & Marketing)

Sd/-  
Suman Kalra  
Company Secretary

M.NO: 080656  
FIRM REG. NO : 003884N

Place: New Delhi.  
Date : 13.08.2014

# Indian Railway Catering and Tourism Corporation Ltd.



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED				
Cash Flow Statement for the year ended 31st March, 2014				
Amount (₹ in Lakh)				
	2013-14		2012-13	
<b>A Cash Flow from Operating Activities</b>				
Net Profit before tax and extraordinary Items	12,741.12		9,240.86	
Adjustments				
Depreciation	1,676.70		1,604.13	
Loss/(Profit) on Assets sold	(17.27)		13.44	
Transfer to SD Fund	(2.32)		-	
Loss/(Profit) on Foreign Exchange Fluctuation	0.12		(0.26)	
Interest Income	(2,208.41)		(2,407.03)	
Total of Adjustments	(551.18)		(789.72)	
Operating Profit before Working Capital Changes	12,189.94		8,451.15	
Working Capital Changes				
Decrease/(Increase) in Inventories	(45.21)		(363.18)	
Trade & Other Receivables	(6,470.60)		864.98	
Trade Payables & Provisions	3,846.43		4,324.35	
Cash Generated from Operation	9,520.56		13,277.30	
Income Tax for Previous Year	-		-	
Direct Taxes Paid	(4,767.53)		(3,606.66)	
Net Cash from Operating Activities before extra ordinary items		4,753.03		9,670.63
<b>B Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(2,547.10)		(2,760.15)	
Sale of Fixed Assets	78.59		9.68	
Investment in JV Company	-		-	
Interest Received	2,104.62		2,172.31	
Net Cash used in Investing Activities		(363.89)		(578.16)
<b>C Cash Flow from Financing Activities</b>				
Dividend Paid (including Tax on Dividend)	(1,377.03)		(1,128.23)	
Net Cash from Financing Activities		(1,377.03)		(1,128.23)
Profit/(Loss) on Foreign Exchange Fluctuation	(0.12)		0.26	
		(0.12)		0.26
Net Change in Cash & Cash Equivalents (A+B+C)		3,011.99		7,964.50
Opening Balance of Cash & Cash Equivalents		31,968.85		24,004.35
Closing Balance of Cash & Cash Equivalents :-				
Term deposits having remaining maturity of more than 12 months	173.21		194.62	
<b>Bank Balances :-</b>				
In Current Account	10,272.81		8563.31	
In Current Account- Earmarked Fund payable to Railway towards surplus on account of IHHA Conference	384.56		384.56	
Cheques, draft on hand	763.25		858.27	
Cash on hand	84.84		127.85	
<b>Other Bank Balances :-</b>				
In Term deposits having remaining maturity value of 3 months or less	15,127.74		12200.00	
Margin money against Bank guarantee	18.01		4.41	
In Term deposits having remaining maturity of more than 3 months but not more than 12 months	8,083.09		9578.87	
Margin money against Bank guarantee	73.33		56.96	
Closing Balance of Cash & Cash Equivalents		34,980.84		31,968.85

Notes:-

- Figures in bracket indicate cash outflow.
- Significant accounting policies and Notes to Accounts ( Note No.2) form an integral part of the Cash Flow Statement.
- Previous year figures have been rearranged / regrouped wherever necessary to confirm to current year's classification.

For Bhushan Bensal Jain Associates  
Chartered Accountants

For and on behalf of Board of Directors

Sd/-  
Ravi Bhardwaj  
Partner

Sd/-  
M.P. Mall  
Director (Finance) and CMD  
(CEO & CFO)

Sd/-  
R.N. Kalita  
Director  
(Catering Services)

Sd/-  
A.K. Brar  
Director  
(Tourism & Marketing)

Sd/-  
Suman Kalra  
Company Secretary

M.No: 080656  
Firm Reg. No.: 003884N  
Place : New Delhi  
Dated : 13.08.2014

**THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS****NOTE NO.-1****GENERAL INFORMATION**

Indian Railway Catering and Tourism Corporation Ltd. (IRCTC) has been set up by the Ministry of Railways with the basic purpose of hiving off entire catering and tourism activity of the railways to the new Corporation so as to professionalize and upgrade these services with public-private participation. Rail based Tourism in India will be the specific vehicle for achieving high growth in coordination with state agencies, tour operators, travel agents and the hospitality industry. The Company is registered under the Indian Companies Act, 1956.

**NOTE NO.-2****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with Accounting Standards issued by the Institute of Chartered Accountants of India under Section 211(3C) of the Companies Act, 1956.

**2.2 METHOD OF ACCOUNTING:-**

The Corporation is following accrual basis of accounting except License Fee on GDP basis with effect from 1<sup>st</sup> November, 2006 from the Licensees of static catering stalls, to whom the contract was awarded by Railways, on the basis of receipt, under historical cost convention.

**2.3 USE OF ESTIMATES**

In preparing the financial statements in conformity with accounting principals generally accepted in India, management is required to make estimates and assumptions that affects the reported amount of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and the amount of revenues and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period of their determination.

**2.4 REVENUE RECOGNITION:-**

The Corporation is in the business of managing catering services (both mobile and static units), Bedroll services in mobile units, operating Departmental Catering Units, Managing Rail Yatri Niwas and Railway Hotels on Public Private Partnership basis, awarding licenses for operating Food Plazas, Static Catering stalls, Automatic Vending Machines, booking of Rail Tickets through Internet, Managing Rail Sampark-139 Call Centre on Public Private Partnership basis, arranging package tours through reputed tour operators, managing complete tour packages, manufacturing and distribution of Railneer-Packaged Drinking Water, etc.





(a) Sales:-

Sales of Railneer-packaged drinking water, food and beverage items are recognized when the goods are sold and services rendered and are recorded net of excise duties wherever applicable, VAT etc. in terms of AS 9. It does not include inter-depot and inter-unit transfers.

(b) Income from Internet Ticketing: -

Income from Internet ticketing is recognized on the basis of value of the service charges earned on the sale of tickets sold through Corporation's Web-site ([www.irctc.co.in](http://www.irctc.co.in)). Service charges earned on the sales of such tickets on accrual basis have been booked as income of the Corporation.

(c) Income from Catering Services: -

The Corporation has been given a mandate by Railway Board, Ministry of Railways to upgrade and professionalize catering services on trains & other locations. The Corporation recognizes its income from catering services as per the following policies.

(i) Income from Onboard Catering Services:

The corporation is providing catering services on Rajdhani and Shatabdi Express Trains on Indian Railways network. The income is accounted on the basis of bills raised for catering services provided to the passengers of Indian Railways on accrual basis.

(ii) Income from Concession Fees, User Charges and License Fee: -

The Corporation is receiving the income from the following: -

S.No.	Nature of business activity	Nature of Fee received from licensees
1.	Awarding license for providing Catering Services on Rajdhani and Shatabdi Express Trains.	One time Concession Fee for the contract period (including renewal period, if any), and Variable License Fee.
2.	Award of license for arranging catering services on Mail/ Jan Shatabadi/Express Trains.	<p>(i) One Time Concession Fee for the contract period (including renewal period, if any), and Fixed Annual Licence Fee for trains awarded prior to Catering policy, 2005.</p> <p>(ii) Fixed Annual License fee as per Catering Policy, 2005 and revised Catering Policy, 2005 of Ministry of Railways.</p>
3.	Award of license for setting up of Food Plaza and operation thereof at the Indian Railway premises	<p>(i) Fixed Monthly User Charges and Variable License Fee in case of contracts awarded under earlier IRCTC Policy.</p> <p>(ii) Fixed Annual License fee in case of contracts awarded as per Catering Policy, 2005 and revised catering policy, 2005 of Ministry of Railways.</p>

4	Award of License for Automatic Vending Machines at Railway Stations.	(i) One time Concession fee for the contract period (including renewal period, if any), and Variable prescribed License Fee in case of contracts awarded under earlier IRCTC Policy.  (ii) Fixed Annual License fee in case of contracts awarded as per Ministry of Railways Policy for AVMs.
5	Award of License for static units at Railway Stations	(i) One time concession fee for the contract period (including renewal period, if any), and fixed license fee in case of contracts awarded under IRCTC Policy.  (ii) Fixed Annual License fee in case of contracts awarded as per Catering Policy, 2005 and Revised catering policy, 2005 of Ministry of Railways
6.	Award of license for Redeveloping, Operation, Management and Transfer of Rail Yatri Nivas and Railway Hotels on Indian Railway premises	Fixed Annual User Charges and License Fee as per the agreement signed with the awardees.

The Income under these heads have been recognized / accounted as under: -

- **Concession fee:** Income is recognized on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) over the contract period as per proportionate completion method contained in Accounting Standard (AS-9) relating to revenue recognition. One time concession fee (Unexpired Concession Fee) received by the Corporation has been treated as income received in advance. In case the contracts for the trains are terminated on account of cancellation / withdrawal of the train by Railway Administration, income is recognized over the period, the contract was in force.
- **User charges:** User Charges payable by the Food Plazas and Budget Hotels Licensees are accounted on accrual basis till the period project were in operation.
- **License Fee: -**
  - (a) Fixed yearly license fees received by the Corporation are accounted on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) till the period project were in operation.
  - (b) Variable License fee is accounted on accrual basis as a fixed percentage of the catering services provided by the contractor.
  - (c) License fee is accounted on accrual basis as a fixed percentage of the projected turnover of the Rail Yatri Niwas and Railway Hotels operated by the licensees under re-develop, operate, manage and transfer basis.



- **Income Accrued on Forfeiture of Contracts:** - Recognition of income from Catering contracts terminated on account of breach of terms and conditions was made as under: -

(a) Up to the date of termination, the income is recognized in respect of concession fee over the contract period on monthly pro-rata basis and in case of License fee over the period the train has been in operation on monthly pro-rata basis.

(b) Other income: Remaining balance of concession fee, License fee and Security Deposits on forfeiture of contracts are recognized as other income accrued during the year.

**(d) Income from Package Tours: -**

The Corporation is engaged in booking of Special Trains, Special Coach Charter and berths under value added tours for promoting the rail-based tourism. The income from special trains/ Coach Charters includes basic fare, other charges levied by the railway administration and Corporation's service charge as a fixed percentage of the basic fare. In case of value added tours, the income includes fare, block booking charges, other charges levied by the railway administration and Corporations service charges as fixed percentage of the fare.

In case of Complete Tour Packages, Buddhist Circuit Special Train and Bharat Darshan Trains, the income includes the total amount net of service tax collected from the customer.

**(e) Interest Income from Fixed Deposits including TDRs: -**

Income received as Interest from fixed deposit & TDRs is recognized on accrual basis.

**(f) Duty Credit License:**

A non-transferable duty credit license under the 'Served from India Scheme' (SFIS) has been received as per foreign trade policy 2004-2009. The said license can be used against payment of excise & import duty for prescribed items.

**2.5 EXPENDITURE: -**

Items of expenditure are recognised on accrual basis however certain expense/claims, which are not ascertainable are accounted for on their being ascertained.

**(i) Expenditure on Railneer -Packaged Drinking Water and Departmental Catering Activity: -**

Expenses are accounted on accrual basis and provision is made for all known losses and Liabilities

**(ii) Expenditure on Internet ticketing: -**

Expenses are accounted on accrual basis and provision is made for all known losses and Liabilities

**(iii) Catering Charges Paid:****(a) Onboard Catering Charges:**

Catering Charges paid to the Contractor are accounted for on the basis of bills raised on Corporation for catering services provided to the passengers of Indian Railways.

**(b) Concession Fees, User Charges, License Fee and Haulage Charges : -**

The Expenditure under this head has been recognized/ accounted for as per the following:

- **Concession Fee Paid:** Concession Fee payable to Indian Railways in respect of on board catering contract, Automatic Vending Machines, Static Units etc. is recognized on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) over the contract period. Payment of Unexpired Concession Fee to the Indian Railways has been treated as an advance. In case the contracts for the trains are terminated on account of breach of terms and conditions of the contract or cancellation / withdrawal of the train by Railway Administration, expenditure is recognized over the period, the contract was in force.
- **User charges Paid:** User Charges payable to Indian Railways in respect of Food Plazas and Budget Hotels are accounted for on accrual basis till the period projects were in operation.
- **License Fee Paid: -**
  - (a) Fixed yearly license fees payable to Indian Railways by the Corporation is accounted for on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) till the period project were in operation.
  - (b) Variable License fee payable to Indian Railways is accounted on accrual basis as a fixed percentage of the catering services provided /sales made.
- **Tourism Expenses: -**

The Cost of Ticket, other charges, if any, levied by the Indian Railways and Service charges on booking of the special train / coach charter / berths are accounted on accrual basis.

In case of complete tour packages and Buddhist Circuit Special Train, cost of train ticket, Service Charges and other charges, if any levied by Indian Railways, Road Travel expenses and accommodation and meal charges etc are accounted on accrual basis.

**(iv) Prior Period Expenses :**

Income / expenditure relating to prior period, which do not exceed ₹ 1, 00,000/- in each case, are treated as income / expenditure of current year.



## (v) Exceptional Items :

Exceptional items are generally non-recurring items of Income & Expense within Profit & loss from ordinary activities which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year.

## 2.6 FIXED ASSETS AND INTANGIBLE ASSETS: -

- (i) Fixed assets are stated at cost of acquisition including installation charges and other related expenses.
- (ii) In case of Computers the cost of Operating System software procured along with Computer has been capitalized with Computers, while regular upgrades and Annual Maintenance Charges; have been treated as revenue expenditure.
- (iii) Expenditure on the leased buildings for Office premises has been capitalized as Leasehold - Office Development.
- (iv) Intangible assets are recorded at the consideration paid for acquisition. The Software Development Charges, web portal, tourism portal expenditure, which was capitalized with Computers in earlier years, has now been capitalized under the head Intangibles as per the opinion of the Expert Advisory Committee of Institute of Chartered Accountants of India dated 9<sup>th</sup> January, 2009. Useful life of Intangible Assets has been assumed 4 Years.
- (v) The tools and plants placed at such catering units are taken on, as is where basis is. Due to non-availability of value of such assets, such assets are accounted at Nominal Value of ₹1/- per item in the Books of Zonal Offices of the Corporation for the purpose of ensuring physical verification.
- (vi) The Luxury Tourist Train has been capitalized and shown as "Luxury Tourist Train" in Fixed Assets Schedule .

## 2.7 CAPITAL WORK IN PROGRESS: -

The Expenditure on Budget Hotels, pending works at Railneer Plant at Ambarnath etc. are classified under capital work in progress and will be allocated to respective heads after completion of the work.

## 2.8 DEPRECIATION: -

- (i) The Corporation is following the straight-line method of depreciation in respect of buildings and plant and machinery of Railneer Plants located at Nangloi, Danapur and Palur and intangible assets and written down value method in respect of other assets. Depreciation is provided at the rates as specified under schedule XIV of the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of put to use. Depreciation is provided up to the date of sale, discard and loss of the assets during the year.
- (ii) Individual assets whose actual cost of acquisition during the year does not exceed ₹ 5000/- (Rupees five thousand only) have been depreciated @ 100 % in terms of schedule XIV of the Companies Act, 1956.



- (iii) Leasehold-Office developments in respect of office premises and Leasehold land (for which lease agreement exists) have been depreciated over the lease period. Expenditure incurred on civil work on premises located on Railway Land (for which no lease agreement exists) has been accounted as lease hold improvement and has been depreciated over a period of ten years.
- (iv) Useful life of the Intangible Assets has been assumed at four years and such assets have been depreciated @ 25 % per annum on straight line method.
- (v) The depreciation on Luxury Tourist Train has been arrived on following basis:
- Coaches (Bare Shell) and Interior Furnishing has been taken @ 4.75% per annum and @ 13.58 % per annum respectively on straight line method with residual value remaining 5% of the original cost.
  - Depreciation on Air Conditioners has been taken @ 13.91% per annum on written down value with residual value remaining 5% of the original cost.
- (vi) In respect of Residential Flats constructed on leasehold land, depreciation is charged over the period of the lease of the land.

**2.9 INVENTORIES: -**

- (i) Inventories are valued at lower of cost and net realizable value.
- (ii) In case of raw materials, packing materials, stores, spares and consumables, the cost includes duties and taxes (net of CENVAT, wherever applicable) and is arrived at on FIFO basis.
- (iii) Cost of finished goods and work in process includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.
- (iv) PD items (traded goods) are valued at cost on FIFO basis.

**2.10 INVESTMENTS: -**

Long term investments are carried at cost less provisions, if any, for permanent diminution in the value of such investment.

**2.11 EMPLOYEES BENEFITS:-**

- (i) The provisions/liabilities towards, Gratuity, Leave encashment, Half Pay Leave and LTC are made on the basis of actuarial valuation at the end of the year and charged to Profit and Loss Account.
- (ii) Provision/liabilities towards Foreign Service Contribution- Pension and Leave Salary are made in terms of Government Rules & Regulations for employees on deputation/Deemed Deputation and charged to Profit and Loss Account on accrual basis.

**2.12 GRANTS: -**

Grants relating to the acquisition of a specific asset are adjusted against the cost of the



concerned asset. Grants relating to the revenue expenditure are adjusted against the related expenses. The unutilized portion of revenue and capital grant is shown as liability.

## **2.13 TAXATION: -**

- (i) The corporation has accounted for deferred taxation in line with accounting standard (AS) 22 on "accounting for taxes on income" issued by the Institute of Chartered Accountant of India. The deferred tax on timing differences between book profit and taxable profit for the year is accounted for applying the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

## **2.14 TRADE RECEIVABLES/ADVANCES: -**

Trade receivables/advances are stated after writing off debts considered as bad. Adequate provisions are made for debts/advances considered doubtful. The provisions are made on the basis of agewise analysis of trade receivables and on case to case basis.

## **2.15 IMPAIRMENT OF ASSETS:**

Cash generating units as defined in AS-28 on 'Impairment of Assets' are identified at the balance sheet date with respect to carrying amount vis-à-vis. recoverable amount thereof and impairment loss, if any, is recognized in the profit and loss account. Impairment loss, if need to be reversed subsequently, is accounted for in the year of reversal.

## **2.16 FOREIGN CURRENCY TRANSACTIONS:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency assets and liabilities are translated or converted with reference to the rates of exchange ruling on the date of the Balance Sheet.

THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.					
NOTE-3	SHARE CAPITAL				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	<b>Authorised Capital</b> 5,00,00,000 Equity Shares of ₹ 10 each (Previous year 5,00,00,000 Equity Shares of ₹ 10 each)	5,000.00		5,000.00	
	<b>Issued,Subscribed &amp; Paid-up Capital</b> 20,00,00,000 Equity Shares of ₹ 10 each fully paid-up (Previous year 20,00,00,000 Equity Shares of ₹ 10 each fully paid up)	2,000.00		2,000.00	
		2,000.00		2,000.00	
NOTE-3.1	Reconciliation of Number of Shares				
	Equity Shares	31.03.2014		31.03.2013	
		No. of Shares (In Lakh)	AMOUNT (₹ In Lakh)	No. of Shares (In Lakh)	AMOUNT (₹ In Lakh)
	Balance at the beginning of the Year	200.00	2,000.00	200.00	2,000.00
	Add:- Shares issued during the year	-	-	-	-
	<b>Balance at the end of the year</b>	<b>200.00</b>	<b>2,000.00</b>	<b>200.00</b>	<b>2,000.00</b>
NOTE-3.2	Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company				
		31.03.2014		31.03.2013	
	Equity Shares	No. Of Shares (In Lakh)	% of Holding	No. Of Shares (In Lakh)	% of Holding
	Ministry Of Railways, Govt. Of India	200.00	100	200.00	100
NOTE-3.3	Rights, Preferences and restrictions attached to shares				
	The Company has one class of Equity Shares having a par value of ₹ 10 each. Per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Company has no Preference Shares, thus, in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company.				
NOTE-4	RESERVES & SURPLUS				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	<b>General Reserve</b> Balance at the Beginning of the Year Add: Transferred from Statement of Profit & Loss <b>Balance at the end of the Year</b>	24,491.70 3,500.00 <b>27,991.70</b>		20,991.70 3,500.00 <b>24,491.70</b>	
	<b>Sustainable Development Fund</b> Balance at the Beginning of the Year Contribution Less: Utilized/Transferred to CSR <b>Balance at the end of the Year</b>	2.32 - (2.32) <b>-</b>		- 24.27 (21.95) <b>2.32</b>	
	<b>Research &amp; Development Fund</b> Balance at the Beginning of the Year Contribution Less: Utilized <b>Balance at the end of the Year</b>	15.64 31.18 (1.98) <b>44.84</b>		24.27 (8.63) <b>15.64</b>	
	<b>Surplus in the Statement of Profit &amp; Loss</b> Balance at the Beginning of the Year Add: Transferred from Statement of Profit & Loss <b>Total</b> - (A)	2,667.66 7,201.42 <b>9,869.08</b>		1,678.47 5,884.18 <b>7,562.65</b>	
	<b>Less:</b> - Proposed Dividend on Equity Shares for the Year - Dividend Distribution tax on Proposed Dividend on Equity Shares - Transferred to General Reserve <b>Total</b> - (B)	(1,440.00) (244.73) (3,500.00) <b>(5,184.73)</b>		(1,177.00) (200.03) (3,500.00) <b>(4,877.03)</b>	
	<b>Less:</b> <b>Contribution towards :-</b> - Sustainable Development Fund Less : Utilized Transferred to Sustainable Development Fund - (C)	- - - <b>-</b>		(24.27) 21.95 (2.32) <b>-</b>	
	-Research & Development Fund Less : Utilized Transferred to Research & Development Fund <b>Balance at the end of the Year</b> - (D) <b>RESERVES AND SURPLUS</b>	(31.18) 1.98 (29.20) <b>4,655.15</b> <b>32,691.69</b>		(24.27) 8.63 (15.64) <b>2,667.66</b> <b>27,177.32</b>	

# Indian Railway Catering and Tourism Corporation Ltd.



NOTE-5	OTHER LONG TERM LIABILITIES				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	Others				
	Security Deposits	11,332.37		9,496.56	
			11,332.37		9,496.56
NOTE-5.1	None of the Suppliers have reported that they are registered under the Micro Small and Medium Enterprises Development Act, 2006. Hence, there are no principle/Interest amounts due to Micro & Small Enterprises.				
NOTE-6	LONG TERM PROVISIONS				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	Provision For Employee Benefits				
	Retirement Benefits	3,322.95		2,022.04	
			3,322.95		2,022.04
	See also Note No.33				
NOTE-7	TRADE PAYABLES				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	Trade Payables				
	For Goods	817.88		792.65	
	For Services	2,513.30		4,648.94	
		3,331.18		5,441.59	
			3,331.18		5,441.59
NOTE-7.1	None of the Suppliers have reported that they are registered under the Micro Small and Medium Enterprises Development Act, 2006. Hence, there are no principle/Interest amounts due to Micro & Small Enterprises.				
NOTE-8	OTHER CURRENT LIABILITIES				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	Income Received in Advance				
	Unexpired Concession Fee	62.18		36.45	
	Unexpired Licence Fee	3,449.64		2,989.59	
	Unexpired User Charges	3.37		28.51	
	Advances Received	3,111.60		1,808.18	
	A	6,626.79		4,862.73	
	Other Payables				
	Earnest Money Deposit	352.02		401.53	
	Payable to Railway towards surplus on account of IHHA Conference	384.56		384.56	
	Others expenses	34,151.48		33,255.33	
	Taxes payables	213.45		316.17	
	B	35,101.51		34,357.59	
	TOTAL (A+B)		41,728.30		39,220.32
NOTE-9	SHORT TERM PROVISIONS				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	Provision for Employee Benefits				
		363.16		51.02	
	(a)	363.16		51.02	
	Others				
	Proposed Dividend	1,440.00		1,177.00	
	Provision for Dividend Tax	244.73		200.03	
	(b)	1,684.73		1,377.03	
	TOTAL (a + b)		2,047.89		1,428.05

### NOTE NO 10 FIXED ASSETS

FIXED ASSET CHART FOR THE YEAR 2013-14										
PARTICULAR	GROSS AMOUNT					DEPRECIATION & AMMORTISATION				AMOUNT (₹ In Lakh)
	ORIGINAL COST AS ON 01.04.2013	ADDITIONS DURING THE YEAR	DELETION/ SALES DURING THE YEAR	ORIGINAL COST AS ON 31.3.2014	UPTO 01.04.2013	DEPRECIATION CHARGED DURING THE YEAR	DEPRECIATION ON DELETION/ SALES/ ADJUSTMENTS	UPTO MAR-14	AS AT 31.03.2014	AS AT 31.03.2013
<b>(A) TANGIBLE ASSETS</b>										
- BUILDING-FACTORY	1,254.97	32.79	-	1,287.76	153.78	42.20	-	195.97	1,091.79	1,101.19
- BUILDING-OFFICE	79.52	-	-	79.52	11.09	1.35	-	12.44	67.09	68.44
- PLANT & MACHINERY	2,955.32	347.83	-	3,303.15	1,269.49	299.59	-	1,569.08	1,734.07	1,685.83
- COMPUTER	4,284.13	246.76	64.91	4,465.97	3,229.79	481.61	60.09	3,651.32	814.66	1,054.34
- FURNITURE & FIXTURES	656.41	78.58	90.72	644.27	455.97	48.07	70.55	433.48	210.79	200.45
- OFFICE EQUIPMENT	1,761.75	157.98	35.77	1,883.96	925.78	186.52	22.95	1,089.35	794.61	835.98
- AIR CONDITIONER	290.89	25.36	9.38	306.87	136.53	22.91	6.26	153.19	153.69	154.36
- TOOLS & PLANTS	0.06	-	-	0.06	-	-	-	-	0.06	0.06
- LUXURY TOURIST TRAIN	3,871.05	12.38	-	3,883.43	849.61	258.96	-	1,108.57	2,774.86	3,021.45
- LEASEHOLD IMPROVEMENTS	1,345.05	342.52	169.26	1,518.30	555.64	131.60	119.97	567.28	951.03	789.41
- FLATS ON LEASEHOLD LAND	951.87	-	-	951.87	47.16	31.73	-	78.89	872.98	904.71
<b>LAND</b>										
- LEASEHOLD LAND	77.32	119.93	(28.92)	226.17	-	-	-	-	226.17	77.32
- FREEHOLD LAND	1,128.75	-	-	1,128.75	-	-	-	-	1,128.75	1,128.75
	18,657.11	1,364.12	341.13	19,680.10	7,634.82	1,504.54	279.81	8,859.55	10,820.54	11,022.28
<b>(B) INTANGIBLE ASSETS</b>										
- INTANGIBLE ASSETS	-	-	-	-	-	-	-	-	-	-
	1,654.86	16.72	-	1,671.58	1,277.23	172.17	-	1,449.40	222.18	377.63
	1,654.86	16.72	-	1,671.58	1,277.23	172.17	-	1,449.40	222.18	377.63
Total Current Year	20,311.96	1,380.84	341.13	21,351.67	8,912.05	1,676.70	279.81	10,308.95	11,042.72	11,399.90
Total Previous Year	17,875.96	2,520.34	84.35	20,311.96	7,369.14	1,604.13	61.22	8,912.06	11,399.90	10,506.82





## NOTE 10 - CAPITAL WORK IN PROGRESS

PARTICULAR	AMOUNT (₹ in Lakh)	
	ORIGINAL COST AS ON 31.03.2014	ORIGINAL COST AS ON 31.03.2013
Budget Hotels Consultancy Charges	-	33.17
Railneer Plant - Ambernath	1,431.58	226.73
Others	174.58	180.00
<b>TOTAL</b>	<b>1,606.16</b>	<b>439.90</b>

NOTE-11 NON-CURRENT INVESTMENTS			
		AMOUNT (₹ In Lakh)	AMOUNT (₹ In Lakh)
		31.03.2014	31.03.2013
Investment in Equity Instruments In Joint Venture's Equity Royale Indian Rail Tours Ltd. (25,00,000 shares @ ₹ 10 per share) Less : Provision for Diminution in value of investment			
	250.00		250.00
	250.00		250.00
	-		-
		-	-
NOTE-12 LONG TERM LOANS & ADVANCES			
		AMOUNT (₹ In Lakh)	AMOUNT (₹ In Lakh)
		31.03.2014	31.03.2013
(Unsecured considered good for recovery by the management) Advances Recoverable In Cash or in kind or for value to be received			
	Capital Advance to Indian Railways for Construction of Flats & Land	211.43	211.43
	Capital Advance to RVNL for Construction of Flats & Land	342.00	342.00
	Capital Advance to CRIS for Development of New E-Ticketing Software	1,645.20	-
	Capital Advance to ION Exchange(I)Ltd. for upgradation of water treatment plan	59.58	-
	Security Deposits	933.31	755.13
		3,191.52	1,308.56
		3,191.52	1,308.56
NOTE-13 OTHER NON CURRENT ASSETS			
		AMOUNT (₹ In Lakh)	AMOUNT (₹ In Lakh)
		31.03.2014	31.03.2013
Trade Receivables (Unsecured considered good for recovery by the management) Considered Good Considered Doubtful Less : Provision for Doubtful Debts Total (a)  Other Bank Balances Bank balances with foreign bank subject to repatriation restrictions Term deposits having remaining maturity of more than 12 months Of which margin money or security against borrowings, guarantees or other commitments, held as margin money against Bank guarantee Total (b) TOTAL (a + b)			
	12,340.99		16,073.62
	2,361.45		624.79
	14,702.44		16,698.41
	(2,361.45)		(624.79)
	12,340.99		16,073.62
	-		-
	173.21		194.62
	173.21		194.62
		12,514.20	16,268.24

NOTE-14	INVENTORIES				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	<b>INVENTORIES</b>				
	(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)				
	Raw Material (Including Goods-In-Transit)	228.41		256.76	
	Finished Goods	550.81		522.49	
	Trading Goods-Packed (PD) Items	173.81		128.57	
		<b>953.03</b>		<b>907.82</b>	
	<b>TOTAL</b>		<b>953.03</b>		<b>907.82</b>
NOTE-15	TRADE RECEIVABLES				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	(Unsecured considered good for recovery by the management)				
	- Debts outstanding for a period exceeding six months				
	Considered Good	3,870.38		3,185.00	
	Considered Doubtful	-	3,870.38	-	3,185.00
	- Others Debts				
	Considered Good	14,133.43		8,061.61	
	Considered Doubtful	-	14,133.43	-	8,061.61
	Less : Provision for Doubtful Debts	-	-	-	-
	<b>TOTAL</b>		<b>18,003.81</b>		<b>11,246.61</b>
NOTE-16	CASH AND BANK BALANCE				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	<b>Cash and Cash Equivalents</b>				
	<b>Bank Balances</b>				
	In Current Account	10,272.81		8,563.31	
	In Current Account- Earmarked Fund payable to Railway towards surplus on account of IHHA Conference	384.56		384.56	
	Cheques, draft on hand	763.25		858.27	
	Cash on hand	84.84		127.85	
	(a)	<b>11,505.46</b>		<b>9,933.99</b>	
	<b>Other Bank Balances</b>				
	In Term deposits having remaining maturity value of 3 months or less	15,127.74		12,200.00	
	Margin money against Bank guarantee	18.01		4.41	
	In Term deposits having remaining maturity of more than 3 months but not more than 12 months	8,083.09		9,578.87	
	Margin money against Bank guarantee	73.33		56.96	
	(b)	<b>23,302.17</b>		<b>21,840.24</b>	
	<b>TOTAL (a + b)</b>		<b>34,807.63</b>		<b>31,774.23</b>
NOTE-17	SHORT TERM LOANS & ADVANCES				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
	<b>Others</b>				
	Balances with Govt. Authorities		1,283.71		968.57
	Other Deposits		9,702.36		8,039.20
	Advance Tax Including TDS [net of provisions of ` 5539.70 Lakh (March 31, 2013: ` 3356.68 Lakh)]		(127.29)		644.88
	Prepaid Expenses		261.99		246.12
	Other Advances	1,820.35		2,188.96	
	Less : Provision for Doubtful advances	(62.48)	1,757.87	-	2,188.96
	<b>TOTAL</b>		<b>12,878.64</b>		<b>12,087.73</b>

# Indian Railway Catering and Tourism Corporation Ltd.



NOTE-18		OTHER CURRENT ASSETS			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		31.03.2014		31.03.2013	
Interest Accrued but not due on Term & Fixed Deposits		1,456.67		1,352.88	
		1,456.67		1,352.88	
			1,456.67		1,352.88
NOTE-19		REVENUE FROM OPERATIONS			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
<b>A Sale Of Products</b> (i) RAILNEER (Packaged Drinking Water) (ii) Departmental Catering -Sale Of Food & Beverages (iii) Non-Railway Business -Income from Catering -Income from Other Services  <b>Total-Sale Of Product</b>  <b>B Sale Of Service</b> <b>i) Internet Ticketing</b> Service Charges Earned-IR Tickets  <b>ii) Income From Licencee Catering Services</b> <b>Income From Licencee Fee/User Charges etc.</b> Income from User Charges-Food Plaza Income from Licence Fee-Food Plaza  <b>iii) Tourism</b> - Travel & Tour Income - Income from User Charges-Rail Yatri Niwas - Income from Licence Fee-Rail Yatri Niwas - Maharaja Express-Revenue  <b>Total-Sale Of Services</b>  <b>Other Operating Income</b> Scrap Sale-Rail Neer Scrap Sale-Departmental Catering Scrap Sale-Non-Railway Catering   <b>Revenue from Operation (Gross)</b>		8,224.87		6,395.22	
		24,291.24		20,901.16	
		3,655.74		2,695.84	
		84.82		167.73	
		36,256.67		30,159.95	
			36,256.67		30,159.95
		21,531.78		17,426.27	
	(a)	21,531.78		17,426.27	
		426.98		408.82	
		2,073.57		1,336.28	
	(b)	2,500.55		1,745.10	
		28,620.27		15,967.54	
		100.55		102.02	
		103.50		132.22	
		3,474.82		2,510.27	
	(c)	32,299.14		18,712.05	
	(a+b+c)		56,331.47		37,883.42
		38.94		34.38	
		1.43		0.01	
		0.66		-	
		41.03		34.39	
			41.03		34.39
			92,629.17		68,077.76
NOTE-20		OTHER INCOME			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
<b>OTHER INCOME</b>					
<b>Interest Income</b>					
- Interest Income on FDR's & TDR's (Gross)		2,208.41		2,407.03	
- Interest Income Others		-		2.96	
(a)		2,208.41		2,409.99	
<b>Other Non-Operating Income</b>					
- Income From Licence Fee-Call Centre		175.00		150.00	
- Income from Advertisement/SBI CO-Branded Cards & Loyalty Cards		506.78		595.80	
- Income From Fees from IATA/RTSA/Internet Cafe, etc.		552.62		178.00	
- Countermanding Charges & Security Deposit Forfeited		8.29		3.84	
- Income Accrued On Forfeiture Of Contracts		3.09		256.50	
- Sale Of Tender Forms		6.81		6.63	
- Excess Provision Written Back		-		291.38	
- Prior period Income		-		5.07	
- Income From Vending		1.60		74.95	
- Profit on Foreign Exchange Fluctuation		-		0.26	
- Profit on Sale of Fixed Assets		17.27		-	
- Miscellaneous Income		301.06		443.71	
(b)		1,572.52		2,006.14	
(a+b)			3,780.93		4,416.13

NOTE-21	COST OF MATERIAL CONSUMED				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	<b>RAILNEER (Packaged Drinking Water)</b>				
	Opening Stock	145.37		102.64	
	ADD: Purchases And Expenses	4,210.51		3,863.64	
		4,355.88		3,966.28	
	LESS: Closing Stock	126.74		145.37	
	(a) <b>4,229.14</b>			<b>3,820.91</b>	
	<b>DEPARTMENTAL CATERING</b>				
	Opening Stock	111.16		82.58	
	ADD: Purchases And Expenses	5,308.13		5,404.94	
		5,419.29		5,487.52	
	LESS: Closing Stock	101.67		111.16	
	(b) <b>5,317.62</b>			<b>5,376.36</b>	
	<b>Total</b>	(a+b)	<b>9,546.76</b>		<b>9,197.27</b>
NOTE-22	PURCHASE OF STOCK-IN-TRADE				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	Purchase of PD Items for resale	11,302.72		10,455.24	
	Purchase - Outdoor Catering	2,655.45		2,029.12	
		<b>13,958.17</b>		<b>12,484.36</b>	
NOTE-23	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	<b>RAILNEER (Packaged Drinking Water)</b>				
	Opening Stock				
	Finished Goods	522.44		227.99	
	Closing Stock				
	Finished Goods	550.71		522.44	
	(a) <b>(28.27)</b>			<b>(294.45)</b>	
	<b>DEPARTMENTAL CATERING</b>				
	<b>Opening Stock</b>				
	Finished Goods	0.05		-	
	PD Items	128.81		131.44	
	<b>128.86</b>			<b>131.44</b>	
	<b>Closing Stock</b>				
	Finished Goods	0.10		0.05	
	PD ITEMS	173.81		128.81	
	<b>173.91</b>			<b>128.86</b>	
	(b) <b>(45.05)</b>			<b>2.58</b>	
	<b>(Increase)/Decrease in Finished Goods</b>	(a+b)	<b>(73.32)</b>		<b>(291.87)</b>
NOTE-24	EXPENSES OF LICENCEE CATERING SERVICES				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	User Charges - Food Plaza	170.79		163.53	
	Licence Fee - Food Plaza	850.49		534.47	
	Service Tax - Food Plaza	45.72		14.70	
	Licence Fee Railway Land - Food Plaza	6.71		3.21	
	<b>1,073.71</b>			<b>715.91</b>	
		<b>1,073.71</b>		<b>715.91</b>	
NOTE-25	EXPENSES OF TOURISM				
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	Travel & Tour Expenses	25,040.56		13,775.59	
	Licence Fee - Rail Yatri Niwas	25.87		33.06	
	User Charges - Rail Yatri Niwas	25.14		25.50	
	Licence Fee Paid Railway Land - Rail Yatri Niwas	0.04		0.04	
	Maintenance & Other Charges	116.04		67.04	
	Expenses of Maharaja Express	2,379.10		1,935.43	
	<b>27,586.75</b>			<b>15,836.66</b>	
		<b>27,586.75</b>		<b>15,836.66</b>	



NOTE-26		MANUFACTURING & DIRECT EXPENSES			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	<b>Rail Neer (Packaged Drinking Water)</b>				
	- Operation & Maintenance Chgs	578.37		579.55	
	- License fee Railway Land	92.84		46.95	
	- Power & Fuel	444.42		377.12	
	- Repair & Maintenance - Plant & Machinery	13.69		19.65	
	- Repair & Maintenance - Others	6.74		21.28	
	- Other Direct Expenses	6.65		3.28	
	(a)	<b>1,142.71</b>		<b>1,047.83</b>	
	<b>Departmental Catering</b>				
	- Freight Inward Loading & Unloading-Catering	68.42		73.06	
	- Food Inspection Expenses	0.31		5.12	
	- Fuel	668.48		614.14	
	- Expenses of Facility Management Services	119.54		174.05	
	- Expenses of Lounge Services	112.58		36.41	
	- Other Direct Expenses	206.35		3.56	
	(b)	<b>1,175.68</b>		<b>906.34</b>	
	<b>Internet Ticketing</b>				
	- Maintenance & Other Charges	937.10		893.33	
	- Loyalty Card Issue Expenses	-		102.46	
	- Internet Usage Charges	75.47		43.33	
	- Messaging Expenses	243.38		131.71	
	(c)	<b>1,255.95</b>		<b>1,170.83</b>	
<b>Total</b>		(a+b+c)	<b>3,574.34</b>		<b>3,125.00</b>
NOTE-27		EMPLOYEE BENEFIT COSTS			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	Salaries, Wages & Bonus	13,750.04		11,201.40	
	Contribution to Provident and Other Funds	1,527.22		1,029.77	
	Gratuity	292.64		200.57	
	Staff Welfare Expenses	89.01		96.07	
		<b>15,658.91</b>		<b>12,527.81</b>	
	Less: Allocated to Discontinued Operation	21.52		57.06	
		<b>15,637.39</b>		<b>12,470.75</b>	
			<b>15,637.39</b>		<b>12,470.75</b>
	See also Note No.40				
NOTE-28		FINANCIAL COST			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	Interest Expenses	15.83		12.99	
		<b>15.83</b>		<b>12.99</b>	
			<b>15.83</b>		<b>12.99</b>
NOTE-29		DEPRECIATION & AMORTIZATION EXPENSES			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	Depreciation on Tangible Assets	1,504.53		1,375.77	
	Depreciation on Intangible Assets	172.17		228.36	
		<b>1,676.70</b>		<b>1,604.13</b>	
	Less: Allocated to Discontinued Operation	0.64		2.02	
		<b>1,676.06</b>		<b>1,602.11</b>	
			<b>1,676.06</b>		<b>1,602.11</b>
NOTE-30		OTHER EXPENSES			
		AMOUNT (₹ In Lakh)		AMOUNT (₹ In Lakh)	
		Year Ended		Year Ended	
		31.03.2014		31.03.2013	
	Electricity & Water	241.91		222.40	
	Office Rent	1,695.94		781.45	
	Duties, Rates & Taxes	53.05		37.26	
	Repair Maintenance & other	753.12		537.25	
	Insurance	97.95		104.45	
	Travelling Expenses	705.03		804.55	
	Director Sitting Fees	5.75		2.34	
	Payment To Auditors				



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	- As Auditor				
	Audit Fees	4.00		3.62	
	Tax Audit Fees	1.85		1.80	
	Other Services	0.15		1.91	
	Reimbursement of Expenses	1.15		0.58	
	Cost Audit Fee	2.95		2.95	
	Internal Audit Fee	2.63		4.35	
	Legal & Professional Fees	86.29		90.40	
	Customer Satisfaction Survey Expenses	20.46		16.67	
	Freight Outward & CFA Charges	1,547.46		1,353.65	
	Provision for Doubtful Debts & Advances	1,799.14		546.82	
	Corporate Social Responsibility/Sustainable Development Expenses	176.53		165.99	
	Loss on Foreign Exchange Fluctuation	0.12		-	
	Miscellaneous Expenses	2,254.20		2,354.21	
		<b>9,449.68</b>		<b>7,032.65</b>	
	Less: Allocated to Discontinued Operation	<b>727.39</b>		<b>532.44</b>	
		<b>8,722.29</b>		<b>6,500.21</b>	
	<b>TOTAL</b>		<b>8,722.29</b>		<b>6,500.21</b>
NOTE-31	<b>EXCEPTIONAL ITEMS*</b>				
		<b>AMOUNT (₹ In Lakh)</b>		<b>AMOUNT (₹ In Lakh)</b>	
		<b>Year Ended</b>		<b>Year Ended</b>	
		<b>31.03.2014</b>		<b>31.03.2013</b>	
	Legal & Professional Charges	192.89		300.57	
		<b>192.89</b>		<b>300.57</b>	
			<b>192.89</b>		<b>300.57</b>
	* Exceptional items are generally non-recurring items of Income & Expense within Profit & loss from ordinary activities which are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year.				
NOTE-32	<b>PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS</b>				
		<b>AMOUNT (₹ In Lakh)</b>		<b>AMOUNT (₹ In Lakh)</b>	
		<b>Year Ended</b>		<b>Year Ended</b>	
		<b>31.03.2014</b>		<b>31.03.2013</b>	
	<b>Licensee Catering Services</b>				
	Revenue				
	Income from Catering & comprehensive services provided			81.12	
	Income from On Board Catering Services-Rajdhani & Shatabdi Trains	-		36.07	
	Income from Bedroll & Cleaning	-		<b>117.19</b>	
	(a)				
	<b>Income from Concession Fee, Licence Fee etc.</b>				
	Income from Concession Fee	0.15		-	
	Income from Licence Fee	183.43		255.82	
	(b)	<b>183.58</b>		<b>255.82</b>	
	Total revenue from discontinuing operations (a+b)	<b>183.58</b>		<b>373.01</b>	
	<b>Expenses</b>				
	Expenses of Catering & comprehensive services provided				
	On Board Catering Charges- Rajdhani & Shatabdi Trains	-		81.12	
	Service Charges - Bedroll & Cleaning	-		36.07	
	(a)			<b>117.19</b>	
	<b>Expense of Concession Fee, Licence Fee etc.</b>				
	Concession Fee	0.02		-	
	Licence Fee	69.29		65.20	
	(b)	<b>69.31</b>		<b>65.20</b>	
	<b>Indirect Expenses (Allocated)</b>				
	Employee Benefit Expenses	21.52		57.06	
	Depreciation & Amortization Expenses	0.64		2.02	
	Other Expenses	727.39		532.44	
	(c)	<b>749.55</b>		<b>591.52</b>	
	Total expenses of discontinuing operations (a+b+c)	<b>818.86</b>		<b>773.91</b>	
	<b>Profit(Loss) from Discontinuing Operations</b>		<b>(635.28)</b>		<b>(400.90)</b>
	Tax Expense of Discontinuing Operation	<b>(215.93)</b>		<b>(130.07)</b>	
			<b>(215.93)</b>		<b>(130.07)</b>
	Pursuant to the decision of The Ministry Of Railway, as per the Catering Policy - 2010 vide Commercial Circular No-35/2010 dated 21 July,2010, the Licensee Catering business of IRCTC is transferred to Indian Railway. No Assets/Liabilities relating to Catering Business have been transferred to Indian Railway. The revenue from this segment has gone down significantly as compared to Previous year. The revenue from part of the licensee business like static catering units at railway station, mobile catering units and book stalls has been treated discontinued operation accordingly.				



## NOTE NO. 33: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 33.1: PROVISIONS

Pursuant to the Accounting Standard (AS 29) relating to Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31<sup>st</sup> March 2014 is as follows:-

(₹ In Lakh)

Particulars	Provision for Bad and Doubtful Debts		Provision for Doubtful advances		Provision for Leave Encashment (Retirement Benefits)		Provision for Gratuity (Retirement Benefits)		Provision for Pension (Retirement Benefits)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Opening Balance	624.79	87.14	--	--	892.46	801.19	(199.81)	(159.22)	1,123.79	824.75
Addition	1,747.16	546.82	62.48	--	608.33	241.60	292.63	200.56	209.19	299.04
Utilization/ Contribution	(10.50)	(9.17)	--	--	(107.80)	(90.71)	(33.36)	(0.59)	--	--
Reversal	-	-	--	--	--	(59.62)	--	(240.56)	--	--
Closing Balance	2,361.45	624.79	62.48	--	1,392.99	892.46	59.46	(199.81)	1,332.98	1,123.79

Particulars	Provision for Pension for Optees (Retirement Benefits)		Provision for Half Pay leave		Provision for LTC	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Opening Balance	256.62	290.51	--	--	--	--
Addition	216.89	23.14	431.94	--	27.72	--
Utilization/ Contribution	(29.27)	(57.03)	--	--	- 3.22	--
Reversal	--	-	--	--	--	--
Closing Balance	444.24	256.62	431.94	--	24.50	--

#### Note:

- Provision for doubtful debts/advances is made on the basis of management's estimates.
- Provision for retirement benefits is made on the basis of independent actuary's valuation.
- As per the DPE guidelines, Company has formulated employees' Post-Retirement Pension Scheme to be effective from 1<sup>st</sup> January, 2007. The scheme is pending with Administrative Ministry for approval. However, the Company has provided the liability in the accounts as per the details given in above statement.
- Provision of Pension in respect of deemed deputationist Optees has been made to make 100% commutation of difference of pension (IRCTC- Railways) as full and final one time settlement of pensionary liabilities of IRCTC so as to avoid monthly recurring liability of pension. Provision of Leave encashment and Gratuity includes ₹ 249.83 lakh and ₹ 194.28 lakh respectively for deemed deputationist Optees.

### 33.2: CONTINGENT LIABILITIES

Claims against the Corporation pending appellate/judicial decisions:

S.No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a.	Employee Court Case SCZ	9.20	9.20
b.	Service Tax- Penalty SZ	679.03	679.03
c.	Others	4,089.49	3,880.17
	<b>Total</b>	<b>4,777.72</b>	<b>4,568.40</b>

Claim against the corporation not acknowledge as debt.

S.No.	Particulars	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
a.	Service Tax	10,042.56	10,025.72
b.	VAT	674.41	--
c.	Other Taxes	7.74	--
	<b>Total</b>	<b>10,724.71</b>	<b>10,025.72</b>

The Corporation has made provision for service tax where demand has been raised and shown as contingent liability where show cause notice have been issued by the service tax department.

### 33.3:

By virtue of Joint venture agreement Dated 10.12.2008, Royale Indian Rail Tours Limited (RIRTL) was formed as a joint venture company with Cox and Kings Limited with IRCTC & Cox & King as Shareholders.

A Luxury train of 23 coaches was constructed, funded and created by IRCTC and was given to Royale Indian Rail Tours Limited (RIRTL) for operations on adhoc basis and it was christened as Maharaja's Express. The Train was operated from March 2010 to April 2011. In that intergenem, it was noticed that various agreements between the parties regarding the train operation were not being allowed to be finalized, including the lease agreement for train and MOU with Indian Railways. Further, haulage charges, etc. due were also not being paid. Ultimately IRCTC terminated the agreement with Cox and Kings Ltd on 12/08/2011, as well as also had withdrawn the train from RIRTL.

Cox and Kings Limited filed a petition in Honorable Delhi High Court and after the judgment of Division Bench of High Court in favour of IRCTC, Cox and Kings Ltd approached the Supreme Court. The matter has been decided in favour of IRCTC by Honorable Supreme Court of India with an observation that parties are at liberty to appoint an arbitral Tribunal to settle their disputes. The prayer of Cox & Kings Ltd. before the arbitral Tribunal is for specific performance of the joint venture agreement.

Based on legal opinion available with the Company and in view of the termination of the joint venture agreement, the IRCTC is of the view that Cox and Kings Ltd. can not invoke the arbitration clause in relation to the reliefs sought. The order on IRCTC's plea has been reserved.



IRCTC does not feel the necessity to recognize the claim of the Cox and Kings Ltd which is for restoration of the Joint Venture Agreement and therefore consequential financial impact is not ascertainable at present. On the other hand, IRCTC has initiated proceedings under section 397 and 398 of the Companies Act, 1956 against Cox and Kings Ltd. and its officers which is sub judice.

## **NOTE NO. 34 : PAYMENT GATEWAYS**

Company is handling Railway reservations through internet for which five payment gateways and more than thirty net banking network of almost all the banks are being used by the customers for making reservations through internet. The transactions in all these accounts are very huge and have not been reconciled since the inception of these accounts in books of IRCTC. The issue was raised during the half year audit of Sept. 2010 and management took the initiative for reconciliation of these accounts. Initially a committee was constituted for doing the needful and during the course of reconciliation it was felt by the committee that the task can be achieved only with the help of software. The software for reconciliation has since been developed in house by IRCTC. Meanwhile the matter was taken up by audit committee in its meeting held on 27<sup>th</sup> November, 2013 whereby it was deliberated and decided that PG reconciliation should be carried out with more concentrated efforts to the year of data which includes maximum amount. However, certain differences are still persisting because of non-comparability of data cycle of IRCTC and the respective banks. The matter has been taken up with the respective banks to provide the data in comparable form so that persisting differences can be eliminated.

## **NOTE NO. 35 : TRADE RECEIVABLES**

The Trade Receivables, Trade Payables and Security Deposit are unconfirmed and unreconciled. The reconciliation with various parties including Railways has been under taken and is still in progress. However, it has been reported to Board that though reconciliation meetings are held and differences ironed out but minutes are not being signed from the side of Railways. Pending confirmation and reconciliation of Trade Receivables, the Corporation has decided to create a provision of ₹ 1,799.14 lakhs against receivables from various parties including Railways which in view of the management are doubtful of recovery.

## **NOTE NO. 36 : CAPITAL COMMITMENT**

Estimated amount of Contracts remaining to be executed on capital account and not provided for amounts to ₹ 6,893.72 Lakhs as against ₹ 894.53 Lakhs in the previous year.

## **NOTE NO. 37 :**

In the opinion of Management, value of Current Asset, Loans and advances, if realized in the ordinary course of business, shall not be less than the amount at which the same are stated in the Balance Sheet. However, the balance of Trade Receivables including Railway Trade Receivables and Trade Payables as stated in the Balance Sheet are subject to confirmation.

## NOTE NO. 38 : EMPLOYEE BENEFITS

General description of the defined benefit schemes/defined contribution scheme:

- (i) **Gratuity:** Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more. The gratuity ceiling of ₹ 10 Lakh has been considered for actuarial valuation.
- (ii) **Leave Encashment:** Payable on separation to eligible employees who have accumulated earned leave. Leave salary is provided for based on valuations, as at the balance sheet date, made by independent actuary.
- (iii) **Half Pay Leave:** to eligible employees who have accumulated half pay leaves. Half pay leave is provided for based on actuarial valuations, as at the balance sheet date.
- (iv) **Leave Travel Concession(LTC) :** to eligible employees is provided for based on actuarial valuations, as at the balance sheet date.
- (v) **Provident Fund:** 12% of the Basic Pay plus Dearness Allowance of Employees and equivalent Contribution of the Corporation is contributed to the Provident Fund maintained with the Regional Provident Fund Commissioner, New Delhi. Corporation's contribution to provident fund is charged to revenue.
- (vi) **Foreign Service Contribution:** Foreign service contribution payable for leave salary and pension in respect of deputationists including deemed deputationists (employees who have joined the corporation on deputation for a fixed period from Indian Railways) for the year 2013-14 in terms of Government rules and regulations is charged to revenue on accrual basis.

Other disclosures, as required under Accounting Standard(AS)-15(revised) on 'Employee Benefits' in respect of defined obligations are:

### (a) Actuarial assumptions

Sr. No.	Description	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(i)	Discount rate(per annum)	8.00%	8.00%
(ii)	Mortality rate	Indian Assured Lives Mortality (2006-08) (Modified Ultimate)	Indian Assured Lives Mortality (2006-08) (Modified Ultimate)
(iii)	Withdrawal rates( per annum)		
	Up to 30 Years	2	2
	From 31 to 44 Years	2	2
	Above 44 Years.	2	2
(iv)	Estimated rate of return on plan assets	0	0
(v)	The estimate of future liability increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors		



## (b) Actuarial Method

Projected unit credit (PUC) actuarial method is used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawal and also compensated absence while in service.

## (c) Plan Assets.

### (i) Changes in the fair value of plan assets

(₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
a)	Fair value of plan assets at the beginning of the period	1,019.28	936.63	--	--	--	--	--	--
b)	Acquisition adjustment	--	--	--	--	--	--	--	--
c)	Expected return on plan assets	80.64	74.87	--	--	--	--	--	--
d)	Contributions	-	0.59	97.10	90.71	--	--	--	--
e)	Benefits paid	(22.58)	(2.13)	(97.10)	(90.71)	--	--	--	--
f)	Actuarial gain/(loss) on plan assets	9.60	9.32	--	--	--	--	--	--
g)	Fair value of plan assets at the end of the period	1,086.94	1,019.28	--	--	--	--	--	--

### (ii) Fair value of plan asset.

(₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
a)	Fair value of plan assets at the beginning of the period	1,019.28	936.63	--	--	--	--	--	--
b)	Acquisition adjustment	--	--	--	--	--	--	--	--
c)	Actual return on plan assets	90.24	84.19	--	--	--	--	--	--
d)	Contributions	--	0.59	97.10	90.71	--	--	--	--
e)	Benefits paid	(22.58)	(2.13)	(97.10)	(90.71)	--	--	--	--
f)	Fair value of plan assets at the end of the period	1,086.94	1,019.28	--	--	--	--	--	--
g)	Funded status Surplus/(Deficit)	134.82	400.37	(1,143.17)	(650.86)	(431.94)	--	(24.50)	--
h)	Excess of actual over estimated return on plan assets	--	--	--	--	--	--	--	--



**(d) Reconciliation of the present value of the defined benefit obligations**

(₹ in Lakh)

S. No.	Particulars	Gratuity	Leave Encashment	Half Pay Leave	LTC
(i)	Present value of the Projected benefit obligations as at 1 <sup>st</sup> April, 2013	618.91	650.86	--	--
(ii)	Current Service Cost	155.61	131.68	137.45	24.50
(iii)	Interest Cost	55.29	54.81	-	--
(iv)	Actuarial gains(-)/losses(+)	144.90	402.92	294.49	--
(v)	Past Service Cost	--	--	--	--
(vi)	Benefits Used	22.58	97.10	--	--
(vii)	Present Value of the projected benefit obligations as on 31 <sup>st</sup> March, 2014 (i+ii+iii+iv-v-vi) (Amount recognized in Balance sheet).	952.13	1,143.17	431.94	24.50

**(e) Reconciliation of the fair value of the assets and obligations:**

(₹ in Lakh)

S. No.	Particulars	Gratuity	Leave Encashment	Half Pay Leave	LTC
(i)	Net Asset/(Liability) Recognized at the beginning of the period	400.37	(650.86)	--	--
(ii)	Employer Expenses	(265.55)	(589.41)	(431.94)	(24.50)
(iii)	Employer Contribution	--	97.10	--	--
(iv)	Acquisitions/Divestures	--	--	--	--
(v)	Net Asset/(Liability) Recognized at the end of the period (Amount recognized in Balance sheet).	134.82	(1,143.17)	(431.94)	(24.50)

**(f) Expenses recognized in the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2014:**

(₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(i)	Current Service Cost	155.61	141.91	131.68	245.90	137.45	-	24.50	--
(ii)	Interest Cost	55.29	62.11	54.81	60.47	-	-	--	--
(iii)	Actuarial Gain( -)/ Losses(+)	135.29	(369.70)	402.92	(365.99)	294.49	-	--	--
(iv)	Past Service Cost	--	--	--	--	--	--	--	--
(v)	Expected return on plan assets	(80.65)	(74.87)	--	--	--	--	--	--

# Indian Railway Catering and Tourism Corporation Ltd.



(vi)	Benefit paid	22.58	2.13	97.10	90.71	--	--	--	--
(vii)	Total(i+ii+iii+iv+ v-vi)	242.96	(242.68)	492.31	(150.33)	431.94	--	24.50	--
(viii)	Employee Remuneration and benefits	--	--	--	--	--	--	--	--
	Charged to Profit and Loss Account	242.96	(242.68)	492.31	(150.33)	431.94	--	24.50	--
(ix)	Actual Return on Plan Assets	--	--	--	--	--	--		

(g) The Employees' Gratuity Fund Scheme managed by a Trust (SBI Life Insurance Co. Ltd) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

## NOTE NO. 39 :

Tools and Plants of ₹ 0.06 Lakh (Previous Year ₹ 0.06 Lakh), which were accounted at Nominal Value of ₹ 1/- per item are lying with the Company.

## NOTE NO. 40 :

During the year 2013-14, the sharing with various Zonal Railways has been made in terms of Memorandum of Understanding dated 17.01.2007, executed with the Ministry of Railways.

## NOTE NO. 41 : RELATED PARTY DISCLOSURE

As per Accounting Standard-18-'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below:-

Nature of Relationship	Name of the related Party
Joint Venture	Royale Indian Rail Tours Limited
Key Managerial Personnel	(i) Shri Rakesh Tandon, CMD Ceased w.e.f 04.01.2014 (ii) Shri M.P. Mall, Director (Finance) (iii) Shri Rabindra Nath Kalita Joined 10.07.2013 (iv) Smt. Amrit Kaur Brar Joined 01.01.2014

Details of transactions between the Corporation and the related parties, as defined in the Accounting Standard, during the year, are given below -

(₹ In Lakh)

S.No.	Nature of Transaction	Joint Venture		Key Management Personnel	
		As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
(i)	Investments	250	250	---	---
(ii)	Provision for diminution in investment	250	250	---	---
(iii)	Advance Lease Rent	1,741.50	1,741.50	---	---
(iv)	Lease Rent Receivable	269.08	269.08	---	---
(v)	Trade Payables	(1,471.71)	(1,471.71)	---	---
(vi)	Lease Rent Income	-	-	---	---
(vii)	Managerial Remuneration	N.A.	N.A.	98.11	92.06

The provision for diminution in investment has been made for IRCTC share of investment i.e. 250.00 Lakh as the cumulative losses of RIRTL has wiped out its net worth. Further, the Balance Sheet of RIRTL for 2010-11, 2011-12, 2012-13 & 2013-14 have not been finalized pending dispute with M/s Cox and Kings (India) Ltd.

#### **NOTE NO. 42 : FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES**

As per Accounting Standard-27-'Financial reporting of interest in Joint Ventures' issued by the Institute of Chartered Accountants of India, the Corporation's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture company as at 31<sup>st</sup> March, 2014 are not available in view of non-finalization of its accounts because of dispute between the parties.

(₹ In Lakh)

Sr. No.	Name of the Joint Venture Company	% of Corporations ownership interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
1.	RIRTL	50 %	Not available	Not available	Not available	Not available	Not available	Not available

#### **NOTE NO. 43 : IMPAIRMENT OF ASSETS**

Pursuant to Accounting Standard (AS 28) impairment of Assets issued by the Institute of Chartered Accountants of India, the Corporation made an assessment on 31<sup>st</sup> March, 2014 for any indication of impairment in the carrying amount of Corporation's Fixed Assets. On the basis of such assessment, in the opinion of the management no provision for the impairment of Fixed Assets of the Corporation is required to be made during the year.

#### **NOTE NO. 44 :**

Licencee managed static catering stalls, which were awarded by Railways, were transferred to IRCTC. As per directive of Ministry of Railways, IRCTC has advised Licencees of static catering stalls for payment of license fee on GDP basis w. e. f. 1st November 2006. However, no written contract with regard to the same exists between IRCTC and licensees of catering stalls.

It has been noticed that many of the licensees are not paying license fee fixed on GDP basis and they have gone to court challenging the fixation of license fee on GDP basis and have obtained stay order from the Hon'ble Supreme Court. There are uncertainties regarding the determination of the amount to be realized from the licensees. The Corporation has recognized income as per Accounting Standard (AS-9) in respect of such licensee catering stalls on the basis of old licensee fees fixed by Indian Railways or amount actually received from licensees, whichever is higher.

#### **NOTE NO. 45 :**

(i) Expenditure incurred on civil work on premises located on Railway land other than Railneer Plants has been accounted as lease hold improvement and has been depreciated over a period of ten years.



(ii) Residential flats constructed on railway land are on lease for a period of 30 years and the same has been depreciated over that period.

## **NOTE NO. 46 :**

IRCTC has taken land from Railways on lease basis for setting up of Railneer Plants at Nangloi, Danapur and Palur for which lease period has not been fixed by Railway authorities. As per the policy of the Railways the maximum period of lease can be for a period of 35 years which is further renewable for a period of 35 years. Depreciation on buildings of Railneer Plants at Nangloi, Danapur and Palur has been provided on straight line basis as per accounting policy being followed consistently. IRCTC has written to concerned Railways to confirm the maximum period of lease of such land provided to IRCTC, reply of which is awaited.

## **NOTE NO. 47 :**

Ministry of Railways vide letter no. 2006/LMB/09/03, dated 22.11.06 has directed that water charges for catering and vending units are required to be paid by IRCTC. Provision for Water charges for the departmental catering units is made @ 0.1 % of the turnover in respect of units where bills have not been received from Zonal Railways. Provision for Electricity Charges for the departmental catering units, where the bills have not been received from respective Railways is being provided @ 2.5 % of a turnover.

## **NOTE NO. 48 : SEGMENT REPORTING (AS-17)**

The corporation has disclosed business segment as the primary segment. The segment has been identified taking into account the nature of services rendered, organization structure and internal reporting system.

The corporation's operations predominantly relate to arranging:

- Licensee Catering
- Departmental Catering
- Railneer
- Tourism
- Internet Ticketing.

The corporation caters mainly to the needs of the domestic market. As such there are no reportable geographical segments.

The accounting principles used in the preparation of the financial statements is consistently applied to record revenue & expenditure in individual segments, as set out in the note of significant accounting policies.

Revenue and direct expenses in relation to segment are allocated based on items that are individually identifiable to the respective segment while the remainder of the costs are categorized as unallocated expenses. The management believes that it is not practical to provide segment disclosure to these expenses and accordingly these expenses are separately disclosed as unallocated and adjusted only against the total income of the Corporation. The overall percentage of such unallocable expenses to total revenue is not material.

Assets and liabilities contracted are allocated to different segments based on their individual identity. The fixed assets of corporate/ Zonal/ Regional office have been allocated on the basis of usage and assets / liabilities, which cannot classify to segments, are shown as unallocated assets/ liability. The overall percentage of such unallocable Assets/ Liabilities to total Assets/ Liabilities is not material.

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED FOR THE YEAR ENDED ON 31.03.14												
SEGMENT REPORTING												
Particulars	Licensee Catering		Railneer		Internet Ticketing		Tourism		Departmental Catering		AMOUNT (₹ In Lakh)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Revenue</b>												
Income	2,688.52	2,026.33	69.99	101.53	22,848.93	18,794.15	32,210.14	18,636.78	48.66	350.24	57,866.25	39,909.03
Sales(Excluding Excise Duty and sales tax)			7,140.98	5,531.42					28,033.89	23,764.74	35,174.87	29,296.16
Inter-Segment Sales			1,606.55	1,548.51							1,606.55	1,548.51
Rail Yatri Nivas and Railway Hotels							204.05	234.24			204.05	234.24
Sales/Income( Bedroll & Cleaning)	-	117.19							-	-		117.19
<b>Total Revenue</b>	<b>2,688.52</b>	<b>2,143.52</b>	<b>7,210.97</b>	<b>5,632.95</b>	<b>22,848.93</b>	<b>18,794.15</b>	<b>32,414.19</b>	<b>18,871.02</b>	<b>28,082.55</b>	<b>24,114.98</b>	<b>93,245.17</b>	<b>69,556.62</b>
<b>Segment Result</b>	<b>1,111.06</b>	<b>835.54</b>	<b>534.95</b>	<b>46.55</b>	<b>17,147.70</b>	<b>13,785.85</b>	<b>(411.58)</b>	<b>(1,295.85)</b>	<b>(6,067.55)</b>	<b>(5,983.08)</b>	<b>12,314.58</b>	<b>7,389.01</b>
Unallocated Corporate Income											-	-
Unallocated Corporate Expenses												
<b>Operating Profit</b>	<b>1,111.06</b>	<b>835.54</b>	<b>534.95</b>	<b>46.55</b>	<b>17,147.70</b>	<b>13,785.85</b>	<b>(411.58)</b>	<b>(1,295.85)</b>	<b>(6,067.55)</b>	<b>(5,983.08)</b>	<b>12,314.58</b>	<b>7,389.01</b>
Interest Income			-	-							2,208.41	2,407.03
Income Taxes											5,539.70	3,356.68
<b>Profit from Ordinary Activities</b>	<b>1,111.06</b>	<b>835.54</b>	<b>534.95</b>	<b>46.55</b>	<b>17,147.70</b>	<b>13,785.85</b>	<b>(411.58)</b>	<b>(1,295.85)</b>	<b>(6,067.55)</b>	<b>(5,983.08)</b>	<b>8,983.29</b>	<b>6,439.36</b>
Prior Period Income(-)/Expenses	-	-	-	-	-	(3.27)	-	-	-	(1.80)	-	(5.07)
Bad & Doubtful Debts written off or provided	715.00	515.32	270.74		(10.50)	31.49	62.48		761.42	-	1,799.14	546.81
(Profit)/Loss on sale of assets	(0.53)	0.25	(0.91)	1.24	(3.83)	6.89	(6.43)	2.22	(5.57)	2.84	(17.27)	13.44
<b>Net Profit</b>	<b>396.59</b>	<b>319.97</b>	<b>265.12</b>	<b>45.31</b>	<b>17,162.03</b>	<b>13,750.74</b>	<b>(467.63)</b>	<b>(1,298.07)</b>	<b>(6,823.40)</b>	<b>(5,984.12)</b>	<b>7,201.42</b>	<b>5,884.18</b>
<b>Other Information</b>												
Segment Assets	40,452.00	47,469.00	4,352.95	4,151.91	59,802.38	39,859.55	3,015.75	3,174.19	(14,725.83)	(11,457.63)	92,897.25	83,197.02
Unallocable Corporate Assets											3,557.13	3,588.86
<b>Total Assets</b>	<b>40,452.00</b>	<b>47,469.00</b>	<b>4,352.95</b>	<b>4,151.91</b>	<b>59,802.38</b>	<b>39,859.55</b>	<b>3,015.75</b>	<b>3,174.19</b>	<b>(14,725.83)</b>	<b>(11,457.63)</b>	<b>96,454.38</b>	<b>86,785.88</b>
Segment Liabilities	37,390.73	40,364.04	1,355.25	1,044.00	10,688.09	6,732.29	2,418.25	1,355.32	5,744.57	4,177.26	57,596.89	53,672.91
Unallocable Corporate Liabilities											4,165.80	3,935.65
<b>Total Liabilities</b>	<b>37,390.73</b>	<b>40,364.04</b>	<b>1,355.25</b>	<b>1,044.00</b>	<b>10,688.09</b>	<b>6,732.29</b>	<b>2,418.25</b>	<b>1,355.32</b>	<b>5,744.57</b>	<b>4,177.26</b>	<b>61,762.69</b>	<b>57,608.56</b>
Capital Expenditure	-	-	380.74	294.62	175.33	1,004.40	414.23	214.65	410.54	303.30	1,380.84	1,816.97
Unallocable Corporate Expenditure											-	703.37
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>380.74</b>	<b>294.62</b>	<b>175.33</b>	<b>1,004.40</b>	<b>414.23</b>	<b>214.65</b>	<b>410.54</b>	<b>303.30</b>	<b>1,380.84</b>	<b>2,520.34</b>
Depreciation	9.34	10.89	369.40	355.94	688.32	675.36	389.05	374.49	220.60	187.45	1,676.70	1,604.13
Unallocable Corporate Depreciation											-	-
<b>Total Depreciation.</b>	<b>9.34</b>	<b>10.89</b>	<b>369.40</b>	<b>355.94</b>	<b>688.32</b>	<b>675.36</b>	<b>389.05</b>	<b>374.49</b>	<b>220.60</b>	<b>187.45</b>	<b>1,676.70</b>	<b>1,604.13</b>

Note:

1. Departmental Catering includes Non-Railway Catering.

2. Inter-segment sales are not taken into total revenue.

3. Previous year figures have been re-arranged /regrouped and re-casted, where ever necessary to make them comparable with the current year figures.



## NOTE NO. 49 : EARNING PER SHARE

### Earnings Per Share

The elements considered for calculation of Earnings per Share (Basic and Diluted) are as under:

Particulars	2013-14	2012-13
Net Profit used as a numerator (₹ in Lakh)	7,201.42	5,884.18
Number of Equity Shares used as denominator (Nos in Lakh)	200	200
Earnings Per Share Basic (In ₹)	36.01	29.42
Earnings Per Share Diluted (In ₹)	36.01	29.42
Face Value Per Share (In ₹)	10.00	10.00

## NOTE NO.50 : DIVIDEND

During the year 2013-14, the board of Directors has recommended Final dividend of ₹ 14.40 Crore (₹ 7.20 per share, Face value ₹ 10 per share). The Total dividend for the financial year 2013-14 is ₹ 16.85 Crore (including ₹ 2.45 crore dividend distribution tax), ₹ 8.43 per share (Face value ₹ 10 per share).

## NOTE NO. 51 :

Value of Imports calculated on CIF basis by the Company for year 2013-14 in respect of

Raw Materials	-
Components and Spare parts	-
Capital goods	NIL

## NOTE NO. 52 : EXPENDITURE IN FOREIGN CURRENCY

Expenditure in Foreign Currency: -

(₹ In Lakh)

Nature of Expenses	2013-14	2012-13
Foreign Travelling Expenses Directors	2.29	34.39
Foreign Travelling Expenses-others	93.07	95.17
<b>Total</b>	<b>95.36</b>	<b>129.56</b>

## NOTE NO. 53 : EARNINGS IN FOREIGN EXCHANGE

Earnings in Foreign Exchange is for year 2013-14 in respect of

(₹ In Lakh)

Export of goods calculated on F.O.B basis	-
Royalty, knowhow, professional and consultation fees	-
Interest and Dividend	-
Other Income	1,180.11



**NOTE NO. 54 :**

In under noted cases leases have expired and are awaiting renewals:-

(a) Office space of 2300 Sq.Ft 31.03.2008 at Patna.

**NOTE NO. 55 :**

Ministry of Railways vide letter no 2009/TG-III/600/25 Dt 21.07.10 has issued catering policy 2010 which stipulates that:

- (i) Railway shall progressively take over management of all mobile catering services including base kitchen and mobile catering through departmental catering in a phased manner.
- (ii) IRCTC will primarily responsible for running of Food Plaza, Food Courts, Fast Food units within the ambit of this policy.

In line with above policy, most of the licensee catering business has been transferred. Hence income from such transferred business has been accounted for till the date of handing over.

**NOTE NO. 56 : ACCOUNTING FOR TAXES ON INCOME**

As per Accounting Standard (AS22) - Accounting for Taxes on Income issued by Institute of Chartered Accountants of India, the deferred tax asset arising on account of timing differences, being the difference between taxable incomes and accounting income has resulted into net deferred tax asset to the tune of ₹4,768.08 Lakh for the F.Y. 2013-14. The Deferred Tax asset for the F.Y 2013-14 amounted to ₹ 4,785.17 Lakh & Deferred Tax liabilities for the F.Y 2013-14 amounted to ₹17.09 Lakh. Keeping in view, the more prudence policy, the management has decided not to recognize deferred tax asset. Since, the management is not sure about the virtual certainty for realizing the asset.

**NOTE NO. 57 : PRIOR PERIOD ITEMS**

Out of total prior period income of Nil (previous year ₹ 5.07 Lakh), an amount of Nil (previous year ₹ 3.27 Lakh) is Income from Advertisement on IRCTC Ticketing Portal for which the bill has been raised in the F.Y 2012-13 and NIL (previous year ₹ 1.80 Lakh) is on account of Income from Licence Fee booked in the F.Y 2012-13.

**NOTE NO. 58 : IHHA CONFERENCE**

During the F.Y. 2012-13, the company had organized IHHA Conference as per the request of the Ministry of Railways.

The balance amount of ₹ 384.56 lakh being payable to Railways is shown as current liabilities in the Balance Sheet. IRCTC has recovered their charges.

**NOTE NO. 59 : GOVERNMENT CAPITAL SUBSIDY**

During the F.Y 2009-10, the Company acquired a Pan India Luxury Tourist Train. The total cost of

# Indian Railway Catering and Tourism Corporation Ltd.



said train was ₹ 5,046.57 lakh. The Tourism Ministry had given capital subsidy of ₹ 1,237.00 lakh and the Train was capitalized in the books at ₹ 3,809.57 lakh in the F.Y 2009-10.

## NOTE NO. 60 :

The previous year figures have been re-arranged /regrouped and re-casted, where ever necessary.

**For Bhushan Bensal Jain Associates**  
**Chartered Accountants**

**For and on behalf of Board of Directors**

Sd/  
Ravi Bhardwaj  
Partner

M.NO: 080656  
FIRM REG. NO: 003884N

Sd/  
M.P. Mall  
Director(Finance)  
and CMD  
(CEO & CFO)

Sd/  
R.N. Kalita  
Director  
(Catering Services)

Sd/  
A.K. Brar  
Director  
(Tourism & Marketing)

Sd/  
Suman Kalra  
Company Secretary

Place: New Delhi.  
Date: 13.08.2014

भारतीय लेखा परीक्षा एवम् लेखा विभाग  
प्रधान निदेशक लेखा परीक्षा, रेलवे-वाणिज्यिक का कार्यालय  
काफमो, भारतीय रेल, तिलक ब्रिज, नई दिल्ली-110002

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
RLY-COMMERCIAL**

**COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW DELHI-110002**

No. PDA/R-C/PSU/IRCTC/A/cs/32-40/2013-14

Dated: 26/08/2014

To

The Chairman and Managing Director,  
Indian Railway Catering and Tourism Corporation Ltd.  
Statesman House,  
New Delhi-110001.

Sub: Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act. 1956 on the accounts of Indian Railway Catering and Tourism Corporation Ltd., for the year ended 31st March 2014.

Sir,

I am to enclose herewith the comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act. 1956 on the accounts of Indian Railway Catering and Tourism Corporation Ltd. for the year ended 31st March 2014.

The receipt of the letter may kindly be acknowledged.

Encl: As above

Yours faithfully,

Sd/-

(Dinesh Bhargav)

Pr. Director of Audit (Railway Commercial)



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014

The preparation of financial statements of Indian Railway Catering and Tourism Corporation Limited, New Delhi for the year ended 31<sup>st</sup> March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is single to have been done by them vide their Audit Report dated 13.08.2014.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 on the financial statements of Indian Railway Catering and Tourism Corporation Limited, New Delhi for the year ended 31<sup>st</sup> March 2014, This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personal and a selective examination of some of accounting record. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of  
the Comptroller & Auditor General of India

Place: New Delhi  
Dated: 25.08.2014.

Sd/-  
(Dinesh Bhargav)  
Principal Director of Audit (Railway Commercial)



Guests of Maharajas' Express enjoying Champagne Breakfast at Taj Khema  
महाराजा एक्सप्रेस के मेहमान शैंपेन नाश्ते का ताज खेमे पर आनन्द उठाते हुए



Food Testing before and after preparation as part of "Farm to Fork" Policy of Central Kitchen Noida  
सेन्ट्रल किचन, नोएडा की "फार्म से फोर्क" नीति के अंतर्गत खाने की तैयारी से पहले और बाद का परीक्षण





Inauguration of Non - Railway Catering Unit at Sir Sunder Lal Hospital, Banaras Hindu University, Varanasi by Sh. Rajeev Sangal, Vice Chancellor, BHU

श्री राजीव संगल, कुलपति, बीएचयू, द्वारा सर सुन्दर लाल अस्पताल, बनारस हिन्दू युनिवर्सिटी, वाराणसी में गैर रेलवे खानपान इकाई का उद्घाटन



Sh. M.P. Mall, Director (Finance) & CMD (L/A) receiving "New Ink Legend PSU Shining Award" by Shri Jagdambika Pal, Hon'ble Member of Parliament (31.01.14)

श्री एम.पी.मल, निदेशक (वित्त) एवं अध्यक्ष एवं प्रबंध निदेशक (एल/ए) श्री जगदंबिका पाल, माननीय लोक सभा सदस्य से "न्यू इन्क लिजेन्ड पीएसयू शाइनिंग पुरस्कार" लेते हुए (31.01.2014)





Sh. Virender Singh, RD/West Zone, Sh. V.H. Chandorkar, CPM/ Railneer / West Zone and Sh. Narendra Patil, CPRO / Central Railway during remote inauguration of Rail Neer Plant, Ambarnath by Hon'ble Minister of Railways, Sh. D.V. Sadanada Gowda,

श्री वीरेन्द्र सिंह, आर डी/पश्चिम जोन, श्री वीएच चन्दोरकर, सीपीएम/रेलनीर/पश्चिम जोन तथा श्री नरेन्द्र पाटिल, सी पी आर ओ/मध्य रेलवे, माननीय रेलमंत्री, श्री डी वी सदानंद गौड़ा द्वारा रेल नीर संयंत्र (मुंबई) का दूरस्थ उद्घाटन के दौरान



Food Canteen at IIT, Madras, Chennai as part of Non-Railway Catering Projects of IRCTC - officials and students enjoying food

आई आई टी, मद्रास, चेन्नई में अधिकारी तथा छात्र, आईआरसीटीसी के द्वारा स्थापित भोजनालय में भोजन का आनन्द लेते हुए



**इंडियन रेलवे कटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड**  
(भारत सरकार का उद्यम-मिनी रत्न श्रेणी-I)

**Indian Railway Catering And Tourism Corporation Limited**

(A Government of India Enterprise-Mini Ratna Category-I)

कॉरपोरेट एवं पंजीकृत कार्यालय : 11वां तल, बी-148, स्टेट्समैन हाउस, बाराखंभा रोड, नई दिल्ली-110 001

फोन : 011-23311263-64 (ईपीबीएक्स), फैक्स : 011-23311259

**Regd. & Corp. Office:** 11<sup>th</sup> Floor, B-148, Statesman House, Barakhamba Road, New Delhi-110001

Tel.: 011-23311263, 44168 (Rly.), Fax: 011-23311259