



# 17 वार्षिक रिपोर्ट Annual Report 2015-16



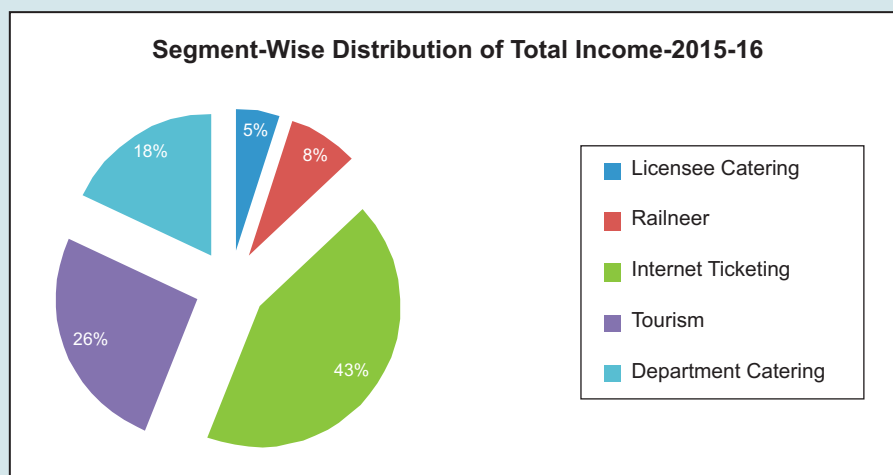
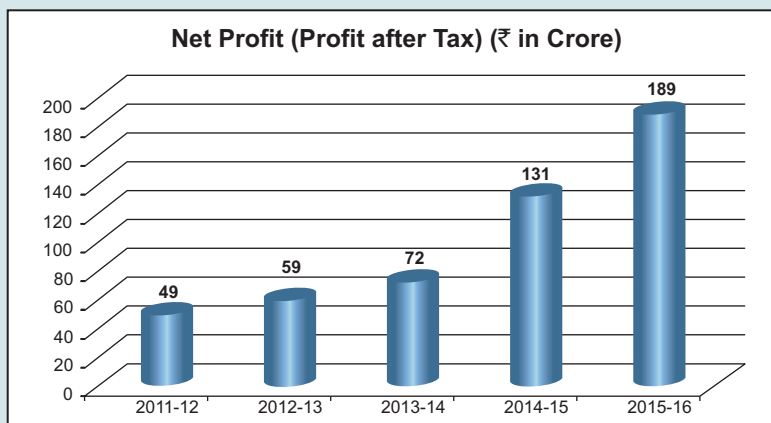
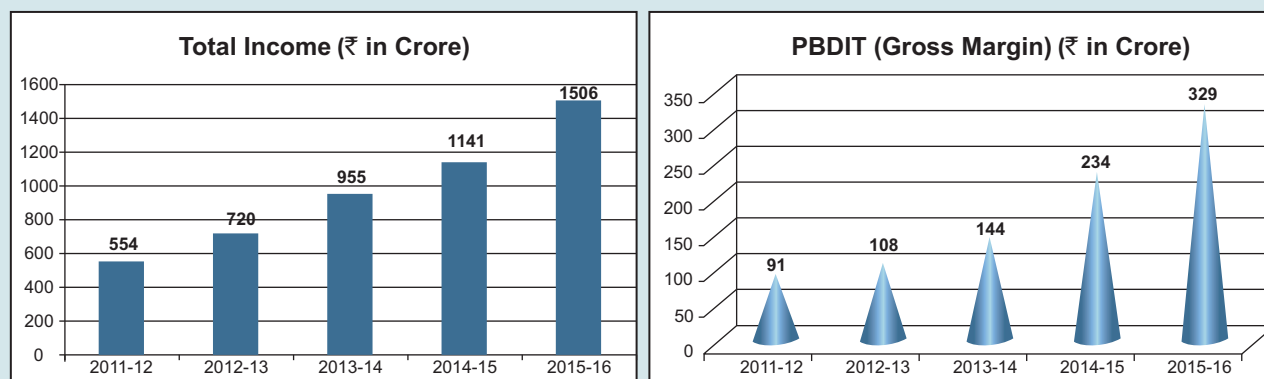
इंडियन रेलवे कटरिंग एण्ड टूरिज्म कॉर्पोरेशन लिमिटेड  
(भारत सरकार का उद्यम-मिनी रत्न श्रेणी-I)  
Indian Railway Catering and Tourism Corporation Ltd.  
(A Govt. of India Enterprise-Mini Ratna Category-I)

## VISION

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

## MISSION

*“IRCTC will establish itself as a leader in the area(s) of hospitality services, Travel and Tourism, packaged drinking water, and Internet Ticketing by providing value added products and services for passengers, tourists and other customers, targeting IR and Non-IR related services alike, building a resilient business portfolio that is scalable and based on core competence.”*





## **Board of Directors (As on date of AGM)**

**Chairman & Managing Director**



**Dr. A.K. Manocha**

### **Whole time Directors**



**Shri M.P. Mall**  
Director (Finance)



**Smt. A.K. Brar**  
Director (Tourism & Marketing)



**Shri V. Sriram**  
Director (Catering Services)  
(w.e.f. 11.03.2016)

### **Part time (official) Directors**



**Smt. Sunira Bassi**  
Adviser (T&C), Railway Board  
(w.e.f 27.06.2016)



**Shri B. Prashanth Kumar**  
Executive Director (PM), Railway Board  
(w.e.f 20.05.2015)



**Visit of Hon'ble Minister of Railways, Sh. Suresh Prabhakar Prabhu  
to IRCTC's Corporate Office**





**Indian Railway Catering and Tourism Corporation Ltd.**

Annual Report  
2015-2016

**INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**

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

**Regd. & Corporate Office :**

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

Tel.: 011-23311263-64, Fax: 011-23311259

**CIN : U74899DL1999GOI101707**



**ANNUAL REPORT 2015-2016**

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

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## WHOLE-TIME DIRECTORS

Dr. Arun Kumar Manocha, Chairman & Managing Director  
Mr. M.P. Mall, Director (Finance)  
Mr. R.N. Kalita, Director (Catering Services) (till 29.02.2016)  
Mrs. A.K. Brar, Director (Tourism & Marketing)  
Mr. V. Sriram, Director (Catering Services) (w.e.f. 11.03.2016)

## PART-TIME (OFFICIAL) DIRECTORS

Mrs. Mani Anand, ED (T&C), Railway Board  
(till 18.08.2015)  
Mr. B. Prashanth Kumar, ED (PM), Railway Board  
(w.e.f. 20.05.2015)  
Mr. Ranjan Prakash Thakur, ED (T&C), Railway Board  
(w.e.f. 08.10.2015 till 15.06.2016)  
Mrs. Sunira Bassi, Adviser (T&C), Railway Board  
(w.e.f. 27.06.2016)

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

Mr. Sanjay Arora (till 19.07.2015)  
Mr. Alok Shivapuri (till 19.07.2015)  
Dr. Subhash Datta (till 19.07.2015)

## SUPPLEMENTARY INFORMATION

### Company Secretary

Mrs. Suman Kalra

### Statutory Auditors

M/s Serva Associates, Chartered Accountant,  
8/28, WEA Abdul Aziz Marg, 3<sup>rd</sup> Floor,  
Opp. Shastri Park, Karol Bagh, Delhi-110005

### Internal Auditors

M/s Kumar Vijay Gupta & Co.,  
408, New Delhi House, 27, Barakhamba Road,  
Connaught Place, New Delhi-110001

### Cost Auditors

M/s Sanjay Gupta & Associates,  
C4E/135, Janak Puri, New Delhi-110058

### Secretarial Auditor

M/s Akhil Rohtagi & Company  
Company Secretaries,  
21, Shamnath Marg, Civil Lines,  
Delhi-110054

## 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
30. Indian Overseas Bank

## REGISTERED & CORPORATE OFFICE

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

## INTERNET TICKETING CENTRE

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

## TOURISM OFFICE

M-13, Punj House, Block M,  
Connaught Place, New Delhi-110001



## RAIL NEER PLANTS

### **Railneer Plant, Nangloi**

Northern Railway's Wireless Station Area,  
Opp. Nangloi Bus Depot,  
Rohtak Road, Nangloi, Delhi-110041

### **Railneer Plant, Danapur**

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

### **Railneer Plant, Palur**

Station, Taluk - Chenagalpattu,  
Distt. Kanchipuram, Tamilnadu

### **Railneer Plant, Ambernath**

GIP Dam, Near additional MIDC,  
Post Anand Nagar, Ambernath (East),  
Distt. Thane, Maharashtra-421506

### **Railneer Plant, Amethi**

Plot No. C11 & 12, UPSIDC Industrial Area,  
Takaria Gauriganj, Distt. Amethi

### **Railneer Plant, Parassala**

Railway Yard, Near Parassala Railway Station,  
Kerala-695502

### **Central Kitchen**

Plot No. A60, Sector-64,  
Noida-301201

## ZONAL OFFICES

### **North Zone**

Rail Yatri Niwas, Ground Floor,  
New Delhi Railway Station,  
Ajmeri Gate Side, New Delhi-110001

### **East Zone**

Old Koilaghat Building,  
3, Koilaghat Street, Kolkata-700001

### **West Zone**

2<sup>nd</sup> Floor, New Administrative Building,  
Central Railway, CST Mumbai-440001

### **South Zone**

6A, The Rain Tree Place,  
9, Mc Nicolas Road, Chetpet,  
Chennai-600034

### **South Central Zone**

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





### TEN YEARS' FINANCIAL HIGHLIGHTS

Sr. No.	Particulars	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-12*	2012-13*	2014-15*	2014-15*	2015-16*
1	Total Income (including other income)	433.54	527.66	618.77	721.97	764.93	554.11	719.69	954.70	1,141.21	1,505.74
2	Expenditure (including increase/decrease in stock)	398.22	486.12	536.68	614.63	620.69	462.83	611.24	810.52	906.76	1,176.42
3	Operating Margin	35.32	41.54	82.09	107.34	144.24	91.28	108.45	144.18	234.45	329.32
4	Interest Expenses	-	-	-	0.03	0.30	-	-	-	-	0.12
5	Depreciation	5.32	8.28	10.10	12.55	14.15	14.74	16.04	16.77	20.42	20.54
6	Profit before Tax	30.00	33.26	73.85	94.76	129.79	76.54	92.41	127.41	214.03	308.66
7	Profit after tax	20.23	20.75	46.50	63.05	60.79	48.54	58.84	72.01	130.63	188.63
8	Dividend	4.00	4.15	9.31	12.61	12.16	9.71	11.77	14.40	26.13	75.45
9	Foreign Projects Reserve	-	-	-	-	-	-	-	-	-	-
10	General Reserve	12.00	16.00	35.00	45.00	45.00	35.00	35.00	35.00	35.00	35.00
11	Other Reserves	-	-	-	-	2.00	-	-	-	-	-
12	Reserve and Surplus	42.96	58.85	94.46	142.76	191.41	226.70	271.77	326.92	424.25	522.07
13	Net Fixed Assets (Gross Block)	41.61	61.38	76.36	126.84	135.18	178.76	203.12	213.52	276.84	298.32
14	Inventories	5.97	5.73	5.19	7.79	6.21	5.45	9.08	9.53	9.54	8.26
15	Foreign exchange earnings	-	0.45	30.85	13.48	13.27	12.53	11.06	11.80	21.89	35.23
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	63.19	80.53	103.87	151.72	195.05	204.97	210.67	320.35	456.74	584.32
18	Government Investment	-	-	-	-	-	-	-	-	-	-
19	Net Worth	62.96	78.85	114.46	162.76	211.41	246.70	291.77	346.92	444.25	542.07
20	Profit before tax to Capital employed (in%)	47.48	41.30	71.10	62.46	66.54	37.34	43.86	39.77	46.86	52.82
21	Operating Margin to capital employed (in %)	55.89	51.58	79.03	70.75	73.95	44.53	51.48	45.01	51.33	56.36
22	Profit after tax to share capital (in%)	101.15	103.75	232.50	315.25	303.95	242.70	294.19	360.05	653.15	943.15
23	Expenditure to income (in %)	91.85	92.13	86.73	85.13	81.14	83.53	84.93	84.90	79.46	78.13
24	Number of employees	5,246	4,963	3,780	2,645	1,934	1,762	1,725	1,672	1,511	1,483
25	Income per employee	0.08	0.11	0.16	0.27	0.40	0.31	0.42	0.57	0.76	1.02
26	Foreign exchange earning per employee	-	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02
27	Current Ratio	1.13	1.12	1.13	1.13	1.22	1.23	1.20	1.45	1.55	1.59
28	Debt/ Equity Ratio	-	-	-	-	-	-	-	-	-	-
29	Investments	-	-	2.50	2.50	-	-	-	-	-	-

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



### Chairman's Speech



Dear Members,

It is a great honour and privilege for me to address all of you on behalf of the Board of Directors and I am delighted to welcome all the shareholders to the 17<sup>th</sup> Annual General Meeting of your Company. Your presence, in this important meeting, is the testimony of your strong support and faith in us and this inspires us to achieve newer milestones of success.

The Annual Report for the year ended 31<sup>st</sup> March, 2016 along with the AGM's notice, Directors' Report and the audited Annual financial statements of the Company along with Auditors' Report and C&AG comments have been circulated to you. With your permission, I take them as read.

I am delighted to share with you that during the FY16, your Company witnessed sustained growth and high performance. Your Company's overall performance for FY15 earned it **"Excellent"** MoU rating from the Government of India and the Company is poised to retain **"Excellent"** MoU rating for FY16 too.

You will be pleased to know that for the second year in a row, your Company has made it to the prestigious **Fortune India Next 500** list of Indian companies, with improving its ranking to 199 from 328 in 2015. I feel honoured to share that if the Company continues with its present pace of performance, it would be a part of Fortune India 500 list of Indian companies in next 2 years.

The key aspects of the performance of the Company for the year under review and the Company's plans for future are as under:

During FY 16, your Company achieved a total income of ₹ 1505.7 cr. as compared to ₹ 1141.2 cr. in 2014-15 (registering a growth of 32%); Profit before Tax of ₹ 308.6 cr. as compared to ₹ 214.0 cr. in the previous year and Profit after Tax of ₹ 188.6 cr as compared to ₹ 130.6 cr in 2014-15 ( both registering a growth of 44%).

As advised by Ministry of Railways, to pay dividend @ 40% of Profit after Tax, the Directors have recommended a Final Dividend of ₹ 75.45 cr. (40% of net profit) excluding Dividend Distribution Tax, for the financial year 2015-16, which is approx. 377% of the paid-up share capital, as against ₹ 26.13 cr. (131% of the paid-up share capital) paid in the previous year, and is around 3 times of the dividend declared in 2014-15.

Being fourth year in a row, your Company received **"NIL"** comments from the Comptroller & Auditor General of India for FY 2015-16. Therefore, your Company's adherence to sound accounting and disclosure practices and desired checks and systems is reassured.

#### 1. Catering & Hospitality

In accordance with Railway Budget announcement 2016 by Hon'ble Minister of Railways, IRCTC is going to be entrusted to take over catering services of Indian Railways in a phased manner. I am glad to inform you that your Company has already initiated the process for the same with detailed plans and I assure you that Company will put its best efforts for smooth transition.

The Company's **E-Catering** is steadily spreading its wings and as advised by MoR to expand it to all 409 A and A-1 class stations, I am happy to inform that around 250 stations have already been made live and Self Help Groups from Ernakulum, Vijaywada and Bhopal have joined the project.

During FY16, **Executive Lounges** at Agra Cantt. and Jaipur have been constructed and commissioned by IRCTC and contracts have been awarded for setting up of Executive Lounges at seven more stations viz. Howrah, Visakhapatnam, Jammu, Lucknow, Kanpur, Vijayawada and Varanasi. In addition to the present four Budget Hotels, the Company also plans to construct **Budget Hotels** at Khajurao and Samantwadi. In order to provide clean and hygienic bed rolls to the rail passengers, **E-bed rolls** scheme was launched at four major stations on 7<sup>th</sup> and 10<sup>th</sup> Feb' 2016 and a total of 877 bed rolls were sold till 31<sup>st</sup> March 2016, which has reached to around 5100 Bed rolls on 15<sup>th</sup> September 2016.

Your Company's revenue from Departmental Catering reduced to ₹ 255.5 cr. in 2015-16, as compared to ₹ 296.42 cr. in the year 2014-15. The decrease in Non railway Catering (NRC )revenue is due to handover of departmental units to railways and closure of some loss making NRC units .However ,Revenue from licensee catering increased to ₹ 76.49 cr. in 2015-16 as against ₹ 69.79 cr. in 2014-15.





### 2. Internet Ticketing

Leaving behind several high profile e-commerce sites worldwide, E-ticketing accounted for 58.5% of reserved tickets in India booked online during 2015-16, which has now risen to around 60%. On an average, more than 5.45 lakh tickets were sold daily through IRCTC's website during 2015-16. Under Next Generation E-Ticketing (NGeT) system, booking of 15,884 tickets per minute was achieved on 14<sup>th</sup> November 2015. A new state of the art Data Centre has also been set up in CRIS premises at Chankayapuri, New Delhi for this system.

The Highlights of the segment included launching of Hindi e-ticketing website; Booking through mobile e-wallets i.e. Paytm wallet, MobiKwik Wallet and mRupee Wallet; Facility of Online Journalist booking and Boarding Point Change; IVRS based Passenger Feedback and implementation of changes related to New Refund Rules and Child Fare etc.

Your Company added another feather to its cap by launching pilot project of **Optional Travel Insurance for Rail Passengers on 1<sup>st</sup> September 2016 as announced in the Rail Budget 2016**. The scheme has the coverage of upto ₹ 10 Lakh for Death and Permanent Total disability and ₹ 7.5 Lakh for Permanent Partial disability with a premium of only 92 paisa. The scheme has become a huge success and around 1 crore rail passengers are expected to opt for the scheme by end of September 2016.

During FY 16, Internet Ticketing segment registered an income of ₹ 632.15 cr. as against ₹ 308.12 cr. achieved during year 2014-15, thereby registering an increase of 105.16 % over previous year.

### 3. Travel and Tourism

Your Company provides a bouquet of products and services which are useful for all types of tourists including Bharat Darshan Tourist trains, Semi-luxury Tourist trains, Maharajas Express, State Special Tourist trains, Rail Tour Packages, Charter Trains & Coaches, Hill Charters, Educational Tours, Online Air ticketing, and Corporate Travel Services, Outbound Air packages, Domestic Air packages, Helicopter packages, On-line hotel booking services, Land Tour packages, Cab Rental Services, LTC facilities, customised packages etc.

As mentioned in the Rail Budget announcement of FY 2015- 16, IRCTC operated two **Gandhi Circuit** trains to cover the footsteps of Mahatma Gandhi and two special trains for Farmers under **Kisan Yatra**. During the year, IRCTC operated State Special trains of State Governments of Madhya Pradesh, Chhattisgarh, Rajasthan and Uttar Pradesh. Your Company plans to further enhance tourism business by expanding existing business lines as well as introducing new products. Some of the important plans include **Gatiman type Rail Tour packages, Aastha Circuit, Glass Top Coaches, Helicopter Services, Medical Tourism etc.**

During the year, the tourism segment generated an income of ₹ 375.02 cr. as compared to ₹ 362.37 cr. in previous year thereby registering a growth of 3.5%.

### 4. Rail Neer and Water Vending Machines :

At present, IRCTC has six operational Rail neer plants located at Delhi, Patna, Palur, Ambarnath, Amethi and Parassala, out of which Railneer Plants at Amethi and Parassala are under PPP mode. Two more plants at Bilaspur (Chhattisgarh) and Nagpur are expected to be commissioned in 2016-17.

The total production of Rail Neer plants was 14.40 crores bottles during the year 2015-16 as against total production of 11.95 crores bottles in previous year. This segment had an income of ₹ 118.48 cr. during 2015-16 as against ₹ 81.03 cr. in 2014-15, registering a growth of 46.2%.

Through **Water Vending Machines (WVMs)**, Ministry of Railways directed IRCTC to provide purified, chilled and potable drinking water to railway passengers at an affordable rate (@ ₹ 5/- per 1 litre) thereby reducing pollution on account of lesser consumption of plastic bottles and generating employment. Your company has identified 1200 stations and commissioned 346 Water Vending Machines over 18 divisions till 14<sup>th</sup> July, 2016. The number of commissioned WVMs has reached to around 550 at 192 stations in mid of September 2016.

Ministry of Women & Child Development has also agreed to take up 33% of the D & E category stations for installation of WVMs by Self Help Groups duly providing financial assistance by Rashtriya Mahila Kosh and we have agreed to offer all D, E and F category stations.

### 5. Corporate Social Responsibility and Sustainability

During the year, your Company has undertaken numerous initiatives towards CSR & Sustainability activities in the field of public health, facilities for elderly and differently abled persons, education, rural infrastructure development,



sanitation and cleanliness, community development and socio economic development. Under “*Sanitation*”, your Company has assigned the construction of toilets at various locations on PAN India basis through CII Foundation. In fact, IRCTC is the only railway PSU, which is spending most of its CSR funds on the activities in and around railway premises.

## **6. Corporate Governance**

The Company remains committed to highest standards of Corporate Governance. During the year, your Company has complied with the conditions of Corporate Governance as stipulated by Department of Public Enterprises *except the appointment of Independent Directors on the Board, for which the Company has repeatedly requested Ministry of Railways*. A separate section on Corporate Governance has also been added to the Directors' Report. Your Company was granted “Excellent” rating for Corporate Governance for the year 2014-15 and expects ‘Excellent’ rating for 2015-16 too.

## **7. Acknowledgements**

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey earnest thanks to all the Shareholders for your continued support and trust in us. This motivates us to excel in all our pursuits and constant endeavour to create value for you. I take this opportunity to thank Ministry of Railways for their unstinted support and valuable guidance.

I would like to thank my colleagues on the Board and all predecessors for their valuable guidance and contribution in steering the Company to higher levels of achievement. Above all, I would like to place on record the commendable efforts and commitments shown by our employees, who have always contributed their best for the Company to set new benchmarks. I am also grateful to Ministry of Tourism, Department of Public Enterprises and Zonal Railways, Secretarial Auditor, Cost Auditors, Statutory Auditors, Comptroller and Auditor General of India, all State Governments, departments and our partners for their help and guidance.

Thank you, Ladies and Gentlemen.

Sd/-

**(Dr. A. K. Manocha)**  
**Chairman & Managing Director**  
**DIN : 06976502**

**Place: New Delhi**

**Dated: 27<sup>th</sup> September, 2016**

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



### DIRECTORS' REPORT

Distinguished Members,

Your Directors are delighted to present the 17<sup>th</sup> Annual Report on the business and operations of your Company for the financial year ended 31<sup>st</sup> March, 2016, along with the Audited Financial Statements, Auditors' Report, Secretarial Auditors' Report and the Review of Financial Statements by the Comptroller & Auditor General of India for the period under review. It gives us an immense pleasure to inform you that your Company has continued the journey of excellent performance for this year also. The detailed financial and operational performance of the Company is produced in the report.

#### 1. FINANCIAL RESULTS

The key highlights of the financial performance of IRCTC during FY 2015-16 alongwith the corresponding performance in FY 2014-15 are mentioned below:

(₹ in Crores)			
Particulars	Year ended on 31 <sup>st</sup> March 2016	Year ended on 31 <sup>st</sup> March 2015	%age Increase/ (Decrease)
Turnover	1366.78	1,062.44	28.65
<b>Total Income</b>	<b>1505.74</b>	<b>1,141.21</b>	<b>31.94</b>
<b>Profit before tax</b>	<b>308.66</b>	<b>214.03</b>	<b>44.21</b>
Provision for Tax	120.03	83.40	43.92
<b>Profit after tax</b>	<b>188.63</b>	<b>130.63</b>	<b>44.40</b>
Profit bought forward	109.34	46.55	134.89
Transferred to General Reserve	35.00	35.00	0.00
Dividend (including Dividend Distribution Tax)	90.81	31.45	188.74
<b>Profit carried forward to Balance Sheet</b>	<b>172.16</b>	<b>109.34</b>	<b>57.45</b>
Reserves & Surplus	522.07	424.25	23.06
Net Worth	542.07	444.25	22.02

#### a. Contribution to Revenue of Ministry of Railways

The Company contributes by way of revenue share to Railways and the total share of such contribution in FY 16 comes to ₹ 396.46 crore against the share of ₹ 52.03 crore during the previous year. Contribution to the revenue of Railways comprises of Haulage Charges, Concession fee, License fee, User Charges and Dividend.

#### b. Dividend

Ministry of Railways, Govt. of India vide its Order No.2011/PL/64/3/Pt.1 dated 29.04.2016 issued Presidential Directive stating therein that for the year ended on 31<sup>st</sup> March 2016, the Company is required to pay Dividend @ 40% of its profit after tax. Therefore, taking into consideration the above Presidential Directive, the Board of Directors has recommended a Final dividend of ₹ 75.45 crore (40% of net profit) excluding Dividend Distribution Tax, for the financial year 2015-16, which is approx. ₹ 377 % of the paid-up share capital, as against ₹ 26.13 crore (131% of the paid-up share capital) paid in the previous year. The payment of final dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting which shall be paid to members after the approval.

#### c. Capital Structure

As on 31<sup>st</sup> March, 2016, paid-up share capital of the Company remained at ₹ 20 crore divided into 2 Crore Equity Shares of ₹ 10 each. President of India (Government of India) through Ministry of Railways and its nominees holds the entire paid up share capital of the Company and there was no change in the capital structure of the Company during 2015-16.

#### 2. OPERATIONAL PERFORMANCE

The segment wise operational performance of the Company during 2015-16 is detailed below:

- Catering & Hospitality;
- Internet Ticketing;



- c. Travel & Tourism;
- d. Packaged Drinking Water (Rail Neer).

### a. **CATERING & HOSPITALITY:**

The Catering and Hospitality segment of IRCTC is divided into:

- 1) **Railway Catering:** Railway catering includes Departmental Catering, Mobile Catering, Static Catering like Food Plazas, Janahars, Executive Lounges, Budget Hotels, Rail Yatri Niwases, Base Kitchens, Minor units etc.
- 2) **Non Railway Catering (NRC):** Non Railway Catering includes Central Kitchen, 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 ₹ 255.56 crore in the year 2015-16, as compared to ₹ 296.42 crore in the year 2014-15. The NRC units contributed ₹ 27.28 crore to the total revenue in the year 2015-16 as compared to the ₹ 35.16 crore in the year 2014-15. The loss from Departmental Catering during the year 2015-16 also increased to ₹ 66.09 crore from ₹ 57.32 crore of previous year.

Business segment of Licensee catering generated an income of ₹ 76.49 crore in the year 2015-16 as compared to ₹ 69.79 crore in the year 2014-15. **As on 31.03.2016, IRCTC had 33 mobile units (including 17 Duronto), 4 Base Kitchens, 10 Jan Aahars and 2 Refreshment Rooms, after the complete transfer of licensee units and partial transfer of departmental units.**

### 1. **Railway Catering**

#### i. *Mobile Catering*

During the year, IRCTC managed on-board catering services in 30 pairs of Premium trains, based on Dynamic fare system. However, w.e.f. July, 2015, Ministry of Railways issued guidelines, whereby, it stopped running of Premium trains and introduced Suvidha trains. The onboard catering services in Suvidha trains were based on the pattern of existing Rajdhani/ Shatabdi, Duronto and Mail/ Express trains. Ministry of Railways subsequently entrusted IRCTC with the responsibility to manage the onboard catering services in Suvidha trains also. During the year, 20 pairs of Suvidha trains were managed by IRCTC.

Ministry of Railways also introduced Madgaon Rajdhani and Mahamana Express trains and IRCTC was mandated to manage the onboard catering services in these trains. Both the trains were taken over by the Company and onboard catering services in the trains were managed.

**IRCTC also managed on-board catering services in 36 pairs of Mail/Express, 1 Rajdhani and 2 Shatabdi trains through award of temporary licenses for onboard catering services. During 2015-16, in total, IRCTC operated 17 Duronto, 06 Rajdhani, 02 Shatabdi and 08 Mail Express trains through departmental operations.**

#### ii. *Static Catering*

During the year, 13 Jan Ahaars, 05 Refreshment Rooms and 128 Minor Units (Stalls, Trolleys etc.) were managed by IRCTC. Out of these units, 03 Jan Ahaar, 03 Refreshment Rooms and 02 Minor units were handed over to Zonal Railways.

#### iii. *Base Kitchens*

As on 31<sup>st</sup> March, 2016, IRCTC operated 4 Base Kitchens at New Delhi, Howrah, Ahmedabad and Patna departmentally. These base kitchens supply food to prestigious Rajdhani/Shatabdi/Duronto trains running through departmental operations. The Base kitchens at New Delhi, Howrah and Patna are ISO 22000:2005 certified and the meals are prepared by professionally trained staff. Regular inspections are conducted for monitoring the food quality and also for ensuring the standards of meals prepared in the Base Kitchens.

IRCTC also operates a Food Factory as Central Kitchen at Noida for supply of meals and snacks to Trains as well as Corporate Sector.

#### iv. *Food Plazas/Fast Food Units/Food Courts*

During the year, the Company commissioned 30 Food Plazas/Fast Food Units, making the total number of operational units to 198. The company also awarded 51 units at annual license fee of ₹15.00 crore during 2015-16.





### v. E-Catering

IRCTC introduced a new and dynamic wing of supplying food to railway passengers at their berth under “E-catering” w.e.f. 25.09.2014. Initially, the project was based on call centre based services called tele-catering. However, an exclusive website [www.ecatering.irctc.co.in](http://www.ecatering.irctc.co.in) for the purpose of E-Catering was launched on 23.01.2015. The services of E-catering are now available for passengers through this website along with telephone calls and SMSs. Also, a mobile application with name “Food on Track” has been developed for facilitation of online ordering passengers while on move.

At the time of launch, the average meals booked per day was around 1 (Oct' 2014), which has now increased to about more than 3000 meals per day (May 2016), showing an encouraging trend in the meal orders thereby indicating growth in the services.

In October, 2015, Ministry of Railways issued directions and permitted the services of E-catering to be extended to all trains passing through nominated 45 A1 category stations. In accordance with Rail Budget 2016-17, the Company has been advised to extend E-catering to all 409 A1 & A Category stations.

The Company has taken steps to include more F&B Brands including the reputed local and national level brands. This is being done with a view to offer choice(s) and options to the travellers all over Indian Railways. Self Help Groups (SHGs) are also being encouraged to get associated with these services at various locations and they have already joined the project from Ernakulum, Vijaywada and Bhopal.

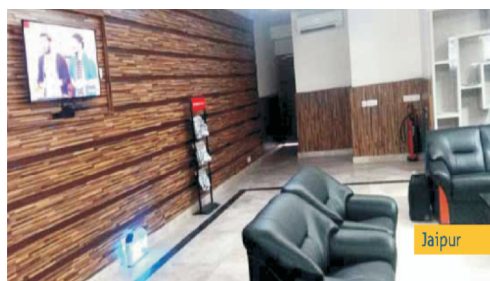
As a shared endeavour of Indian Railways and IRCTC for providing good quality food and reliable service to train passengers; public awareness is critical to the success of this endeavour. IRCTC has also taken steps to spread awareness about the services through distribution of pamphlets, posters, and press releases, in addition to advertisements in news papers. In this regard, Railways has also been requested for station announcements, awareness drives, posters in and around station area for increasing public awareness.

The web page for E-Catering has also been upgraded and made more user friendly by incorporating innovative steps for improved user engagement.



### vi. Executive Lounges

As per the policy directives issued by Ministry of Railways, IRCTC has been advised to invest in the infrastructure of Executive Lounges and these would be IRCTC's branded outlets. Consequently, Executive Lounges at Agra Cantt. and Jaipur have been constructed and commissioned by IRCTC. Besides this, contracts have been also awarded for setting up, operation, maintenance and transfer back of Executive Lounges at seven more stations viz. Howrah, Visakhapatnam, Jammu, Lucknow, Kanpur, Vijayawada and Varanasi out of 49 approved stations.



### vii. E-Bed Rolls

In order to provide clean and hygienic bed rolls to the rail passengers, E-bed rolls scheme was launched at four major stations on 7<sup>th</sup> and 10<sup>th</sup> February 2016 and a total of 877 bed rolls were sold till 31<sup>st</sup> March 2016. Under this scheme, a passenger can order the bed roll through website and collect the same at the designated pick up points at the stations and can carry the same with them after use. The scheme has been liked by the passengers.





*viii. Election Special Trains*

IRCTC in close coordination with Ministry of Home Affairs (MHA), CRPF Head Quarters and Control Offices, managed the Catering Services for Central and State Election Special Trains and the splinter coaches from 9<sup>th</sup> March, 2016 till 24<sup>th</sup> May, 2016. During that period, around 8 lakh meals worth ₹ 10 crore (approx.) were supplied in 118 trains and splinter coaches all through the assembly elections in the states of Assam, West Bengal, Tamil Nadu, Puducherry and Kerala.

**2. Non-Railway Catering (NRC)**

The turnover from NRC business during the year was ₹ 27.28 crore against the turnover of ₹ 35.15 crore in the previous year. As on 31.03.2016, the number of NRC units was 40.

As per the Railway Budget announcement for the year 2016-17, IRCTC has been entrusted to take over catering services of Indian Railways in a phased manner. In the initial phase, all mobile units are proposed to be transferred to IRCTC. To manage the same and have real time monitoring of services provided through mobile units, large number of resources are required. Therefore, it has been decided that Company will gradually exit from NRC business and redeploy the available manpower for monitoring/operation of mobile units including Base Kitchens.

*Central Kitchen (ISO 22000:2005 certified)*

Presently, Central Kitchen is providing quality meals and snacks to the prestigious trains. This is one of its kinds, ultra modern Food Factory in line with the major Air Flight Catering Kitchens to produce meals of high quality and standards. The factory is fully automated with equipments from the best of the manufacturers from India and abroad and managed by professionals from the hospitality industry.

During the year, an hour long docu-feature on the Central Kitchen Noida, was telecast on National Geographic, an International Channel, in their programme “*Mega Kitchens*”, wherein, IRCTC’s Kitchen was featured as one of the biggest nine kitchens of the country, thereby taking IRCTC as F & B leader on global platform.

**Future Potential & Planning:**

➤ **Railway Catering:**

• *Food Plazas/Fast Food Units/Food Courts*

At present, IRCTC is operating 202 Food Plazas and Fast Food Units over Indian Railways. The annual earnings from these units is ₹ 30.90 crore. Another, 112 units are at various stage of commissioning. The Company plans to commission around 36 units in 2016-17, which will give additional annual earnings of ₹ 6.00 crore.

• *Executive Lounges*

During 2015-16, Company awarded contract for 10 Executive Lounges at various Railway stations, namely, Jaipur, Agra Cantt., New Delhi, Howrah, Vishakhapatnam, Kanpur Central, Jammu Tawi, Lucknow NR, Vijaywada and Varanasi Jn, to provide upgraded services to the railway passengers.

• *Retiring Room Complexes*

The Company has also approached Ministry of Railways to handover the management of Retiring Room Complexes on Indian Railways network. Presently, Retiring Room Complex facilities are available at 554 stations, consisting of around 2000 rooms. IRCTC will upgrade Retiring Room Complexes on PPP (Public Private Partnership) model and the same will be operated under ROT (Renovate-Operation-Transfer) model.

• *E-Catering*

For enhanced performance of E-Catering, atleast 5 vendors other than Food Plaza/Fast Food Units are targeted to be empanelled for each of the 409 A1 & A category stations; more specialties of regional cuisine are proposed to be made available; the website and mobile app are planned to be upgraded to match the standards of market and customer expectations with nationwide publicity. A complete end to end electronic feedback mechanism from consumer is also in pipeline to be established.

• *Central Kitchen*

The catering by Central Kitchen to institutions/corporates within NCR was making losses primarily due to competition from unorganized sector and high cost of manpower. Loss making NRC units which were catered by Central Kitchen have been closed down. Presently, the operation of Central Kitchen is restricted



to take care of Railway catering requirement for Rajdhani/Shatabdi/Duronto trains and to supply evening tea/snacks, dinner/lunch. The Company is in process to take a long term view regarding operation of Central Kitchen due to continuous losses from units and keeping in view of the transfer of catering services from Indian Railways.

### Monitoring System – Customer Satisfaction Survey

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

During 2015-16, Duronto/Rajdhani Trains, NRC Units, Food Plazas/ Fast Food Units and Base Kitchens/Food Pick-up Points were covered under Customer Satisfaction Surveys. Two rounds of surveys were done in Sep-Nov, 2015 and Jan- March, 2016 respectively. The overall score of Rajdhani and Duronto was 84% and 80% in final round respectively.

Customer Satisfaction Surveys have also been conducted in Food Plazas/Fast Food Units during the year 2015-16. A total of 179 such units were covered, over which an average customer satisfaction level was gauged at 77%.

### Passenger Satisfaction Survey

As per Ministry of Railways' instructions, Passenger Satisfaction Survey was conducted in the month of Jan-Feb, 2016 at 409 "A-1" and "A" Category Stations over Indian Railways Network under "**Swachh Rail, Swachh Bharat Abhiyan**".

### Food Safety Audits

Keeping in view the impact of food safety on public health, food safety audits are conducted by IRCTC through third party agencies accredited by National Accreditation Board for Certification Bodies (NABCB).

Type of Unit	Number of units audited	Overall score achieved
Trains	32	62.42%
Food Plazas/Fast Food Units (FFUs)	174	68.59%
Base Kitchen/Food Pick-up Point	42	72.06%

### ISO Certification

IRCTC takes consistent steps to improve the quality of catering services including ISO certification. During the year 2015-16, 21 Food Plazas/Fast Food Units were certified with ISO 22000:2005 certification, taking the total number to 131 out of 190 licensee-operated units, as on 31<sup>st</sup> March, 2016.

### Complaint Monitoring and Action Taken

A total of 1073 complaints were received from train passengers during 2015-16 as against 1252 in the previous year having a reduction of 14.3%.

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 complaints and the input provided etc.

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

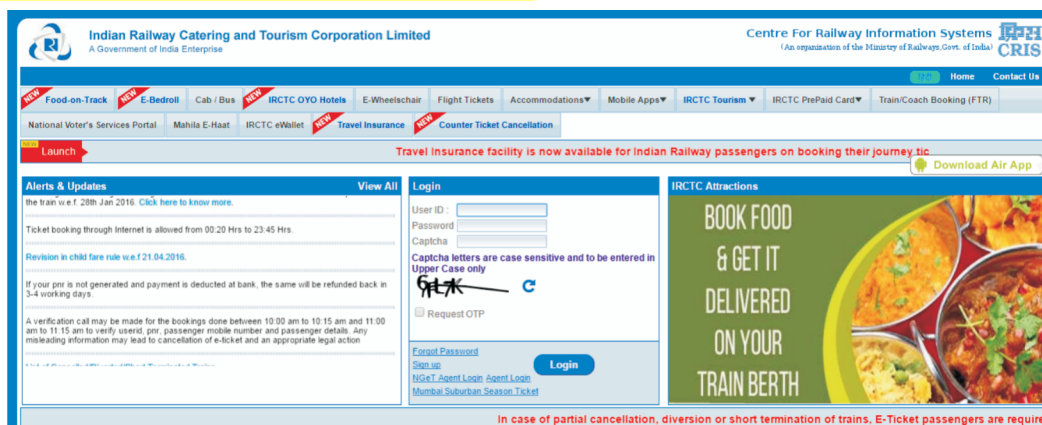
### b. INTERNET TICKETING

If one witnesses the welcome sight of shortening of queues at rail ticket counters across the country, the credit goes to the e-ticketing initiative of your Company which has emerged as a single window solution for online booking of train and air tickets, catering, tourism and portal shopping. Leveraging technology to launch a raft of pioneering measures, the Company has now created for itself a reliable and super efficient passenger/customer-friendly brand.

IRCTC is now the largest website in the Asia-Pacific region with a transaction volume of 15-18 million per month and 12 million visitors a month. Its user base currently stands at 4.25 crore with around 15,000 users being added per day.



Powered by its exponential growth, e-ticketing now accounts for 58.5% of reserved tickets in India booked online, leaving behind several high profile e-commerce sites worldwide. The Company's phenomenal growth in e-ticketing has been triggered by a robust process for e-reservation, which facilitates booking for all types of credit cards, major debit cards and cash cards and net banking facilities. **On an average, more than 5.45 lakh tickets were sold daily through IRCTC's website during 2015-16.**



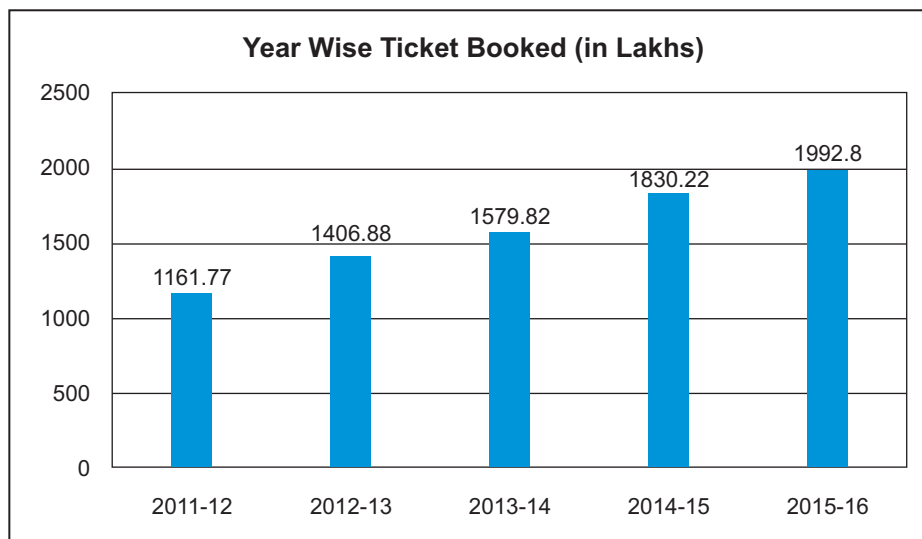
Launching of Internet Ticketing by IRCTC has resulted in savings for Indian Railways on their infrastructure like buildings, air-conditioning, electricity, furniture, staff etc. The spirit behind the project was that instead of the customers going to Passenger Reservation System (PRS), the PRS should be brought to the customer. The booking of railway tickets through internet is now available 24\*7\*365. The site remains closed only for 35 minutes i.e. from 2345 hrs to 0020 hrs. In order to make the system more user friendly, e-mails and SMSs 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 ₹ 20/- only per e-ticket in case of sleeper class (SL) and Second sitting(2S) and ₹ 40/-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 was levied during the financial year 2015-16.

### 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 year 2015-16, 1992.80 lakh tickets have been booked as compared to 1830.80 lakhs during year 2014-15.

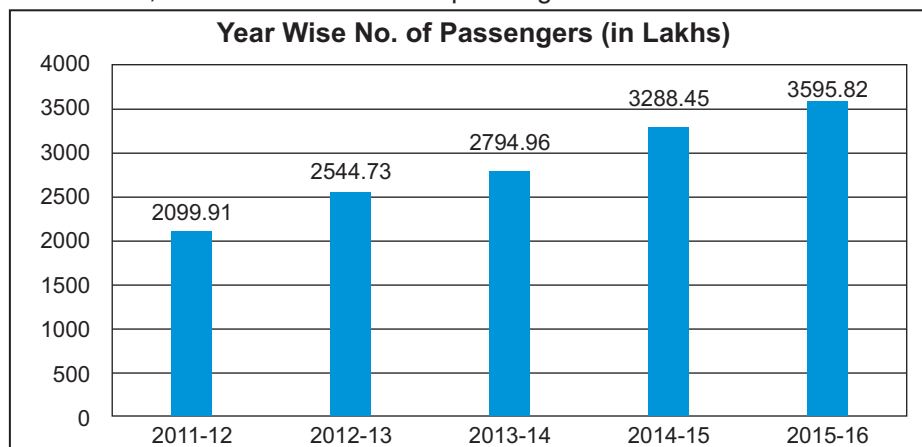






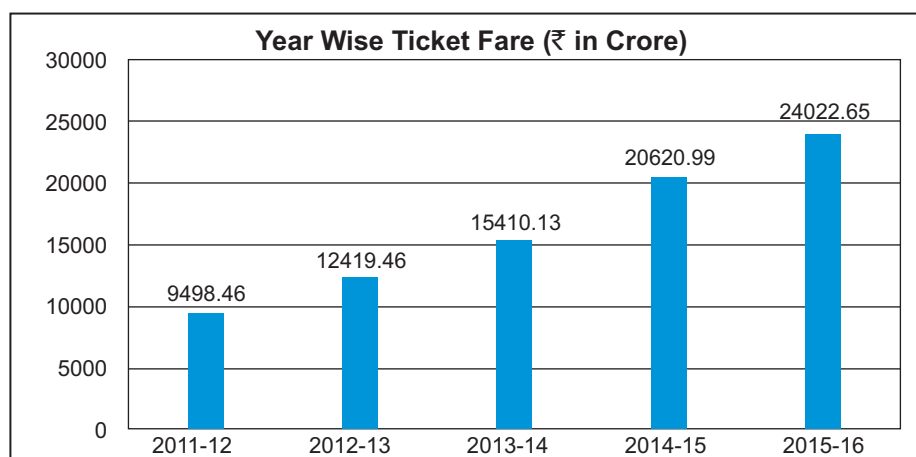
### c. No. of Passengers

During the year 2015-16, 3595.82 lakh number of passengers booked e-tickets on IRCTC' website.



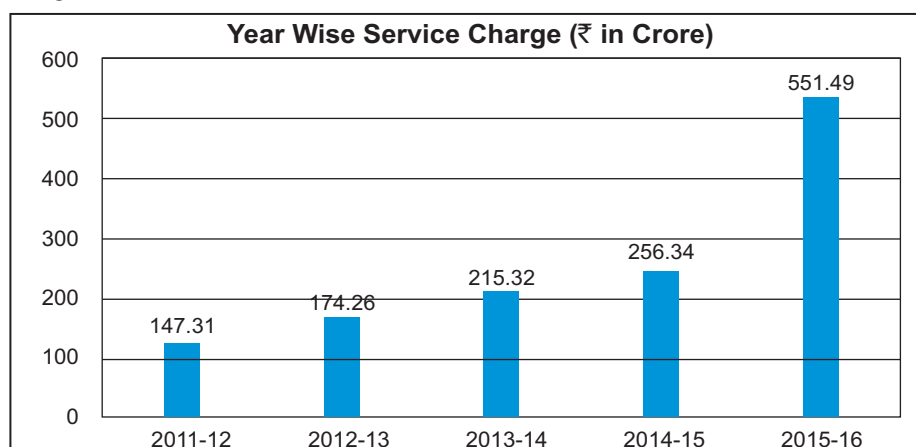
### c. E-ticketing Revenue Collection

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 2015-16, a total of ₹ 24022.65 crore has been collected from the users.



### d. Service Charge

IRCTC collected a nominal Service Charge of ₹ 20/- per ticket for non AC classes and ₹ 40/- per ticket for AC classes excluding Service Tax.





### New Initiatives taken during 2015-16

During the year, various initiatives were taken to increase non business revenue through monetizing the digital resources available with us. Some of the relevant measures are detailed below:

#### Mobile Booking

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 phones. Mobile App booking and downloads during the year have been as under:

S.No.	Items	Android	iOS	Windows	Blackberry	Total
1	Bookings	7433059	901137	452001	23278	8809475
2	Downloads	4789709	548909	700165	168279	6207062
3	Total Downloads	7336251	719932	2249747	337540	10643470

#### Co-Branding

Through co branding initiative, IRCTC has tied up with Amazon which has given an annual revenue of ₹ 18 Cr.

#### Banner Advertisement

The banner advertisement in our website has been done through Google, which has given the Company, an advertisement revenue of ₹ 20 Crores and to further explore the possibilities, the Company started contextual advertisements and the revenues earned were up to the tune of ₹ 8.36 Crores.

#### Unreserved Ticketing

The unreserved ticketing through mobile app UTS has been launched last year and this year the same has been extended to eight new sections of NR, ER, SCR and SER. During the year, more than 1.11 lakh tickets were sold amounting to ₹ 2.25 Crores. Efforts are being made to make the scheme more popular by reducing the pain points for the passengers.

#### Upgradation of Websites

In order to improve the look and feel, the tourism portal and the Maharajas' Express websites have been given a new makeover.

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

E-ticketing today constitutes about 58.5% of total reserved tickets on Indian Railways. 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. Next Generation E-Ticketing System (NGeT) Capacity has been enhanced from 7200 tickets per minute to 15000 tickets per minute; enquires have been increased from 1000 to 3000 per second and concurrent user connections have increased to 3,00,000 from 1,20,000 connections.

Under NGeT system, booking of 15,884 tickets per minute was observed on 14<sup>th</sup> November 2015. A new state of the art Data Centre has been set up in CRIS premises at Chankayapuri, New Delhi for this system.

#### Highlights of Internet Ticketing

- ✓ During the year, through (Next Generation E-Ticketing System) NGeT a total of 1992.80 lakhs tickets were booked.
- ✓ On 1<sup>st</sup> April 2015, IRCTC achieved highest ticket bookings i.e. 13,45,519 tickets in a day.
- ✓ Hindi e-ticketing website was launched on 8<sup>th</sup> July 2015
- ✓ Booking through mobile e-wallets i.e. Paytm wallet, MobiKwik Wallet and mRuppee Wallet was launched on 22<sup>nd</sup> April, 2015, 31<sup>st</sup> December 2015 and 9<sup>th</sup> February 2016 respectively.
- ✓ ATAS (Alternate Train Accommodation System) was launched on 1<sup>st</sup> November, 2015.
- ✓ Facility of Online Journalist booking was launched on 15<sup>th</sup> March 2016.
- ✓ Online Current Booking facility through website was launched on 13<sup>th</sup> November, 2015.
- ✓ IRCTC started the facility of Preferred Bank while doing payments which allows user to select up to 6 payments options under one screen.



- ✓ Boarding Point Change: From 28<sup>th</sup> January 2016, users can change their boarding point station online 24 hours before schedule departure of the train.
- ✓ Booking for Suvidha Trains and Mahamana Train was launched on 7<sup>th</sup> July 2015 and 21<sup>st</sup> January 2016 respectively.
- ✓ Online Feedback Survey and Online Captcha Survey was launched on 1<sup>st</sup> September 2015 and 28<sup>th</sup> November 2015 respectively
- ✓ IVRS based Passenger Feedback was launched on 1<sup>st</sup> July 2015.
- ✓ Changes related New Refund Rules was implemented w.e.f. 12<sup>th</sup> November 2015 and Changes related Child Fare w.e.f. 23<sup>rd</sup> December 2015.
- ✓ Mobikwik & PayU as a payment option on IRCTC mobile app launched on 24<sup>th</sup> November 2015 and 6<sup>th</sup> April 2016 respectively.
- ✓ Migrated more than 1 lacs Retail Service Provider (RSPs) into Next Generation e-ticketing system.
- ✓ To implement greater transparency into the system all Retail Service Provider (RSPs) are allowed to book ticket through Digital Certificate only.
- ✓ Ticket booking facility to "Controller General of Defence Accounts" extended across more than 2000 locations of India including provisioning of i-ticket booking, where defence personnel can now book ticket within their units and collect i-ticket (PRS ticket) across any PRS counter of India.

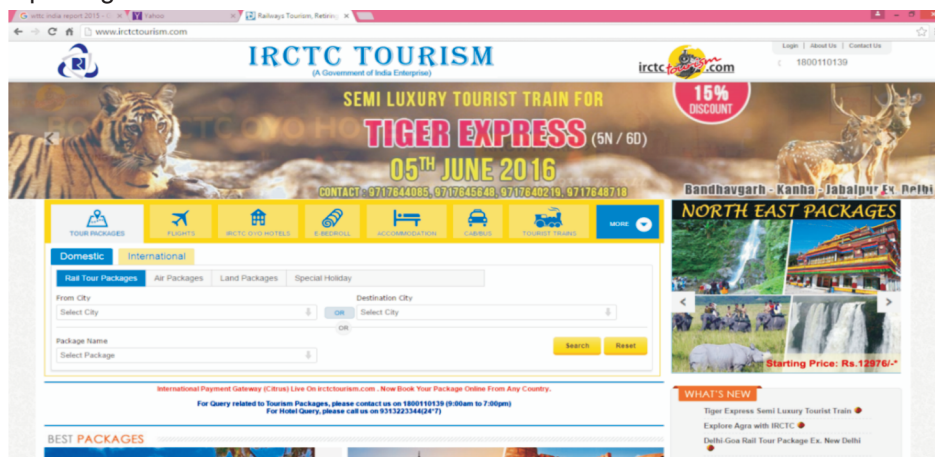
### c. TRAVEL AND TOURISM

Travel and tourism is the largest service industry in India. The main objective is to develop and promote tourism, maintain competitiveness of India as a tourist destination, improve and expand the existing tourism products to ensure employment generation and economic growth. IRCTC has established itself as a big name in this segment and provides a bouquet of various products and services which is useful for all types of tourists. These include Bharat Darshan tourist trains, Semi-luxury tourist train i.e. Buddhist Circuit, Desert & Heritage Circuits, Tiger Express, etc., Maharajas' Express, State Special Tourist trains, Rail Tour Packages, Chartered Trains & Coaches, RTP with Charter Trains & Coaches, Hill Charters, Educational Tours, Online Air ticketing, and Corporate Travel Services, Outbound Air packages, Domestic Air packages, Helicopter packages, On-line hotel booking services, Land Tour packages, Cab Rental Services, LTC facilities, customised packages etc.

Travel & Tourism Business of IRCTC has generated an income of ₹ 375.02 Crore in the year 2015-16 as compared to ₹ 362.37 crore in the year 2014-15.

#### 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, Concierge Services, air tickets as well as Luxury tourist trains. During 2015-16, semi-luxury train circuits – Desert circuit and Heritage Circuit, online hotel bookings (IRCTC OYO Hotels), booking of e-wheelchairs, Outbound Air packages have been launched on IRCTC's Tourism Portal.





### Bharat Darshan Tourist Train

IRCTC operates Bharat Darshan tourist trains for the budget segment tourists where the traveller gets to see India at a price of ₹ 800/- per day per pax + service tax, which include rail and road travel, meals, sightseeing, accommodation and accidental insurance. 73 Bharat Darshan trips were operated across the country during 2015- 2016.

### 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 for international as well as domestic tourists. During the FY 2015-16, a total of 291 passengers availed the services of Buddhist Special in 5 trips with total income of ₹ 2.06 crores.

### Semi Luxury Trains

The number of trips of Buddhist Circuit train was reduced by 50% on the direction of Railway Board. Hence, IRCTC had launched two Semi-Luxury Circuits on 13<sup>th</sup> December 2015 and 30<sup>th</sup> December 2015 by utilising Buddhist rake:

- Desert Circuit (covering Jaisalmer, Jodhpur & Jaipur); and
- Heritage Circuit (covering Varanasi, Khajuraho & Agra).

Total four trips of Desert circuit, one trip of Heritage circuit and one special FTR train to Roorkee were operated during the year. A total of 304 passengers travelled on these circuits and generated an income of ₹ 91.19 lakhs.



### Tour Packages

- Rail Tour packages** - 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 2015-16, a total of 33,049 passengers availed IRCTC tour packages.
- Land Tour packages** - IRCTC operates all inclusive Holiday Packages across the country, which includes 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 2015-16, a total of 15,442 passengers availed IRCTC tour packages.
- RTP with charter coach and train** - IRCTC provides entire tour package services such as Rail travel, road transportation, sightseeing, accommodation, meals etc. to the clients on charter train and coach. During 2015- 16, a total of 2,006 passengers availed IRCTC tour packages.
- Customized tour package** - IRCTC also designs customized packages as per the demand and requirement of clients. During 2015-16, a total of 1,729 passengers availed IRCTC customised tour packages.

### Educational Tours

IRCTC operated educational tours for students under its “Travel to Learn” scheme and has tied up with Kendriya Vidyalaya Sangathan and various State Governments as well as private schools for operating





educational tours for students. In the year 2015-16, a total of **2,98,656** students availed the facility of educational tours (including students of Local Trips of Delhi Govt. Schools).

### Charter Trains and Coaches

IRCTC operated 391 (34 trains & 357 coaches) charters in the year 2015-16 as against 423 (53 trains/ 370 coaches) charters during the previous year. The company is operating hill charters over Kalka-Shimla and DHR mountain railways. The decline was due to change of booking procedures to online procedure of Charter Train/ Coaches in Western Railway, which is a major contributor in this product segment.

### State Special trains

IRCTC has operated State Special trains of State Governments of Madhya Pradesh, Chhattisgarh, Rajasthan and Uttar Pradesh. During FY 2015- 16, Punjab State Govt. has also started State Special trains w.e.f. 01.01.2016 to Nanded, Varanasi, Ajmer & Pushkar and Vaishno Devi.



During the year 2015-16, a total of 1,76,439 passengers travelled on State Special Trains in 185 trips. IRCTC earned ₹ 185.31 crores from operation of State Special trains.

### Maharajas' Express

The Maharajas' Express has been awarded as the World's leading Luxury Tourist Train for four consecutive years i.e. 2012, 2013, 2014 & 2015 at the World Travel Awards. This train is operated on 5 different itineraries out of which three itineraries are of 7 Night/ 8 Days whereas two itineraries are of 3 Night/ 4 Days. The itineraries cover places like Ajanta, Udaipur, Jodhpur, Bikaner, Jaipur, Ranthambore, Agra, Balasinor,



Gwalior, Orchha, Khajuraho, Varanasi and Lucknow.

During the year 2015-16, a total of 1,087 passengers availed the services of Maharajas' Express in 29 trips with total income of ₹ 45.90 crores.

### Foreign Inbound Tourists (FITs)

During the year 2015-16, FITs were operated with all inclusive services for 217 passengers.



### Pilgrim Special Tourist Trains

The product was introduced in the Rail Budget Speech of FY 2014-15. The product was launched by IRCTC on 25.10.2015. During the year 2015-16, a total of 8,515 passengers availed the services of Pilgrim Special Tourist Train in 15 trips with total income of ₹ 8.43 crores.

### Election Special Trains

During the FY 2015- 16, IRCTC has operated 70 trains for Bihar, Assam & West Bengal State Assembly Elections, with total income of ₹ 18.65 crores.

### Online Air ticketing

IRCTC's online air-ticketing micro-site provides the services of Domestic as well as International Air-ticket booking at very competitive prices. The website [www.air.irctc.co.in](http://www.air.irctc.co.in) has become quite popular in a very short span of time, and the average booking of air tickets in 2015-16 was 2700 tickets per day. The earning of IRCTC from the Air-ticketing segment in FY 2015- 16 is ₹ 10.79 crores.

### Corporate Travel Business

IRCTC is offering complete Travel services to Corporates which include air ticketing, booking of domestic as well as International hotels, Passport and visa facilitation, Insurance and Forex. During 2015-16, the company had enrolled 24 new Corporate/ Ministries for IRCTC Corporate Travel Business (total 140 PSUs & Ministries). Even Ministry of Railways has given assurance to nominate IRCTC for Corporate Travel Business for Indian Railways as well as for its PSUs.

### Outbound Air packages

During the period FY 2015-16, a total of 1,484 passengers have travelled in International tours operated by IRCTC's zones from different cities of the country as against 393 passengers travelled in previous year. IRCTC earned total ₹ 7.38 crores from this segment.



### Domestic Air packages

During the year, IRCTC has operated Domestic Air packages from all the Zones to various destinations like Shirdi, Goa, Delhi, Tirupati, Gangtok, Darjeeling, Kalimpong, Andaman & Nicobar, Ladakh, Srinagar, Kashmir, Mumbai, Mysore, Coorg, Bangalore sectors, etc. and expanding. During FY 2015- 16, approx. 2359 passengers travelled in 181 trips with total earnings of ₹ 3.26 crores (includes fixed departure of air packages & helicopter ride Mumbai).

### Concierge Service

As announced in the Rail Budget Announcement of FY 2015- 16, concierge services have been started at 26 Railway Stations during the year. Railway passengers can book Cab and porter services at these stations, online through IRCTC tourism portal. The product has been marketed through various modes like newspaper, e-mailers, etc.



### Online booking of Retiring Rooms at Stations and Hotel Booking

IRCTC provides the facility of online booking of retiring rooms at 487 Railway stations for railway passengers having confirmed PNR. IRCTC has also entered into an agreement with hotel content provider OYO for online hotels booking through IRCTC Tourism portal. During the year, IRCTC has generated a total revenue of ₹ 2.93 crores from online booking of retiring rooms and hotels.

### Gandhi Circuit

As announced in the Rail Budget announcement of FY 2015- 16, IRCTC has operated two Gandhi Circuit trains to cover the footsteps of Mahatma Gandhi. One train was operated from Madurai to New Delhi with 208 pax and other train was operated from Jabalpur to Gujarat with 488 passengers to comply the Rail Budget announcement.

### Kisan Yatra

As announced in the Rail Budget announcement of FY 2015- 16, IRCTC operated two special trains for Farmers - One from Madurai to Bhopal in association with M/s Eicher Tractors, with 600 farmers and other train from Lucknow to Pantnagar and Bareilly in association with M/s IFFCO with 500 farmers. Apart from these trains, IRCTC has also operated 9 coaches ex-Bangalore to Bhopal for farmers in association with M/s Eicher Tractors.



### Radio Cab Service

Radio cab service has been launched in Delhi NCR region with tie ups with Mega, Meru & Easy cabs.

### E- Wheel Chairs

An initiative to help differently-abled and sick passengers has been taken by starting E- wheel chairs at 23 stations. Till the end of the year, total 3520 passengers have availed the benefit of the scheme.

### Tie up with OYO rooms

In order to provide low cost and standard hotel facilities. IRCTC has entered into a contract with OYO rooms in the month of Feb' 2016. This facility is becoming very popular among the Railway passengers.

### MOU with Pawan Hans Limited

An MOU has been signed with Pawan Hans Limited to provide ticketing services to their existing business and to explore the possibilities of making tourist packages involving Helicopter services.







### Future Potential And Planning

The Company plans to further enhance tourism business in the coming years by expanding existing business lines as well as introducing new products. Some of these are International and Domestic Air packages, Helicopter air services, Gatiman type Rail Tour packages, Pick up and Drop (Concierge) Services, Cab services, Medical tourism and Inbound as well as Outbound travel services for individual travellers. Specific focus areas for the future are:-

- ✓ **IRCTC Air Mobile App:** To provide easy access of IRCTC Air portal [www.air.irctc.co.in](http://www.air.irctc.co.in) on mobile phones of customer, a Mobile App 'IRCTC Air' has been developed and launched on 31<sup>st</sup> May 2016. It will boost online air ticketing of IRCTC.
- ✓ **IRCTC Tourism mobile App:** On the same lines, IRCTC Tourism mobile App is being developed for customers. It is expected to be launched by July-August 2016.
- ✓ **Tour Packages:** IRCTC would strengthen its portfolio of comprehensive rail based and non-rail based tour packages utilizing regular train services. IRCTC will provide Land packages and customised packages to various destinations by linking the Railway stations.
- ✓ **Gatiman type Rail Tour packages:** IRCTC has offered special packages to passenger travelling by Gatiman Express for Agra ex Delhi. On the same line, IRCTC have also planned to launch Rail Tour packages to popular destinations for railway passengers travelling on connected trains.
- ✓ **Aastha Circuit:** As announced in Rail Budget, IRCTC envisages to operate Aastha Circuit Special Trains in October 2016, connecting various popular pilgrim destinations across India with all inclusive package service, for budget segment people.
- ✓ **Buddhist Circuit & Semi Luxury Trains:** IRCTC is making efforts to increase the utilization of Buddhist rake by operating semi luxury circuits like Desert Circuit, Rajasthan Circuit, Tiger Express, Dakshin Temple Yatra, etc. as well as offering it for FTR charter train to third party.
- ✓ **State Special Trains:** IRCTC is approaching various State Governments for operation of State Special Trains. State Government of Jharkhand, Odisha, Haryana and West Bengal are keen to run these trains in association with IRCTC.
- ✓ **Glass Top Coaches:** The glass top coaches are under manufacturing at Integral Coach Factory, Perambur and Chennai. Two transparent glass top coaches shall be operated in Araku Valley and one glass top coach will be operated in Kashmir Valley. Ministry of Tourism has released ₹ 4 crores initially for this project. Balance payment of approx. ₹ 8.0 crores is yet to be released by MoT. These glass top coaches are in advance stages of production and expected to be ready by Oct./ Nov. 2016.
- ✓ **Online Air-ticketing:** IRCTC would strengthen customer relations further by setting a target of providing above 90% refund of cancelled tickets within 30 days from the date of cancellation and increase the sale of segments from 2700 to 3000 in a day.
- ✓ **Corporate Travel:** IRCTC will focus on providing cost effective and efficient travel solutions to Corporates, especially to all Ministries/ Govt. offices and PSUs. IRCTC will approach and take on board new PSUs/ Ministries/ Govt. Departments in next FY i.e. 2016-17.
- ✓ **Domestic Air Packages:** IRCTC will widen the ambit of its offerings in domestic air packages by expanding to new destinations after due diligence.
- ✓ **Educational Tours:** IRCTC 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.
- ✓ **Helicopter Services:** Presently, IRCTC is providing helicopter services in Mumbai in association with M/s Pawan Hans. IRCTC is exploring the possibility of extending helicopter services in association with M/s Pawan Hans and/or other companies for city tours of Delhi and other cities.
- ✓ **Pick up and drop Services:** IRCTC has planned to expand the Cab and Porter services to railway passenger by adding new stations. Passengers will be picked up from Railway stations and dropped at destination, and vice-versa. The online booking will be available at IRCTC tourism portal [www.irctctourism.com](http://www.irctctourism.com).
- ✓ **Cab services:** Presently this service is available in Delhi/NCR. IRCTC is planning to expand it in other cities subject to financial viability and demand. Radio cab service in association with Radio Cab operators through [www.irctctourism.com](http://www.irctctourism.com) can be availed by passengers/ travellers at select locations.





- ✓ **Medical Tourism:** IRCTC has tied up with big Hospital chains at Chennai, and Secunderabad where world class medical treatment is available at reasonable cost. IRCTC in collaboration with Hospital chains plans to provide medical packages through its tourism portal and tour packages to accompanying passenger and recovered patient as well. IRCTC is in touch with Hospital chains of Kolkata and Delhi to expand this segment.

#### d. PACKAGED DRINKING WATER (RAILNEER)

At present, IRCTC has six operational Rail neer plants located at Delhi, Patna, Palur, Ambarnath, Amethi and Parassala, out of which Rail Neer Plants at Amethi and Parassala are under PPP mode. Two more plants are also being set up, out of which, company owned plant is proposed at Bilaspur (Chhattisgarh) and plant at Nagpur is proposed under PPP mode. The commissioning of these plants is expected in 2016-17.



During financial year 2015-16, Rail Neer business registered an income of ₹ 118.48 crores as against ₹ 81.03 crores achieved during year 2014-15. This does not include sale of Rail Neer through departmental catering, amounting to ₹ 15.54 crores as against ₹ 15.11 crores in the previous year. The Segment result (profit) during the year was ₹ 20.97 crores as against profit of ₹ 6.31 crores during the previous year.

**Production:** The total production of Rail Neer at Nangloi, Danapur, Palur, Ambarnath and Amethi plants was 14.40 crore bottles against total production of 11.95 crore bottles in previous year. Commercial production at Rail Neer Plant Amethi and Parassala were started in June' 15 and March' 16 respectively.

**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 Tamilnadu, Karanataka, Andhra Pradesh and to some parts of Kerala. Rail Neer produced at Danapur is distributed to States of Bihar, West Bengal, Jharkhand, Assam and Odisha.

Rail Neer Produced at Ambarnath is distributed mainly in Mumbai area, Pune and Bhusawal in the state of Maharashtra besides Surat and Vadodara in Gujarat. A total of 62 A-1 category stations have been covered with Rail Neer so far.

Rail Neer produced at Amethi is distributed in Central and East Uttar Pradesh and Rail Neer produced at Parassala is distributed to states of Kerala & Tami Nadu.

Initiatives were taken, whereby, around 85 Thousand litres of water was dispatched from its Rail Neer Plant, Nangloi to the earthquake victims of Nepal in April 2015.

**Quality:** Rail Neer Plant, Danapur, Nangloi and Palur are accredited with ISO: 9001- 2008 quality management system certification.



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:

- To reduce packaging cost, automatic shrink wrapping machine has been installed at Rail Neer Plant, Palur.
- Automatic shrink Neer wrapping machine has been installed at Rail Neer Palur in Feb' 16 to reduce packaging cost by eliminating corrugated paper tray costing of ₹ 3 per case.

### Table showing performance of Rail Neer (Physical & Financial) for all the plants for 2015-16:

Name of Plant	Sales (No. of bottles in crores)	Turnover including inter-segment sales (₹ crores)
Nangloi	4.56	36.20
Danapur	3.35	27.41
Palur	4.54	37.10
Ambernath	2.35	18.51
Amethi	1.35	12.39
<b>Total</b>	<b>16.15</b>	<b>131.61</b>

### Consumption per unit of production:

Particulars	Electricity (KWH/100 Bottles)	
	2015-16	2014-15
Rail Neer Packaged Drinking Water	5.4	5.4

### Future potential & Planning:

- ✓ As per one study, daily requirement of Packaged Drinking Water over Indian Railway network is approx 30 lac bottles/day, against which, at present IRCTC's capacity is 7.54 lac bottles/day, which shall become 8.96 lac bottles/day by the year 2016-17, when plants at Bilaspur and Nagpur will become operational. This will meet about 33% of total requirement over Indian Railways.
- ✓ After installation of Plant and Machinery, the Rail Neer plant at Bilaspur is likely to be commissioned in mid of 2016-17. The installed capacity of the plant is 72000 litres per day
- ✓ The civil construction work at Nagpur, the third plant under PPP mode, is in progress and the plant is likely to be commissioned by 2016-2017. The installed capacity of the plant is 72000 litres per day.
- ✓ LOAs have been awarded for new plants at Lalitpur and Ambala on PPP mode and awaiting for allotment of land from Railways.
- ✓ Land has been purchased for setting up plant at Sankrail (Kolkata) from WBIDC.
- ✓ Further, in an attempt to meet the increasing demand of drinking water in Delhi area, another PDW plant is being planned in NCR region. Land has also been purchased from UPSIDC to set up Rail Neer Plant at Hapur near NCR.

### Water Vending Machines

Ministry of Railways vide Commercial circular No. 36 of 2015 dated 16.06.2015, issued guidelines for installation and operation of Water Vending Machines by IRCTC to provide purified, chilled & potable drinking water to railway passengers at an affordable rate (@ ₹ 5/- per 1 litre) thereby reducing pollution on account of lesser consumption of plastic bottles and generating employment.

Regarding this, IRCTC has already awarded licenses for installation of 2000 machines over Indian Railways with a target of installing all the machines by March, 2017. Fresh tenders have been invited for installation of another 1100 WVMs.



### Highlights of performance of Water Vending Machines:

- A1, A, B & C categories stations covered in first phase;
- Stations identified – 1200
- Awarded a total of 62 clusters consisting of one or more divisions.
- Till 14<sup>th</sup> July, 2016, 346 Water Vending Machines have been commissioned over 18 divisions. From August 2016 onwards, it is targeted to commission atleast 200 WVMs every month.
- Tenders for installation and operation of 2000 WVMs over D & E categories of stations are in process.
- Ministry of Women and Child Development has requested IRCTC to allot 33% of the 'D' & 'E' category stations for installation of WVMs by Self Help Groups duly providing financial assistance by Rashtriya Mahila Khosh.
- The average sale per machine at A1 & A category stations is 500 lts. per day (approx).
- The above initiative is likely to create an employment generation of around 20,000 individuals.

### 3. HUMAN RESOURCE DEVELOPMENT

The Human Resource Development (HRD) function in the organization has been designed to maximize employee performance. HRD is primarily concerned with the management of people within organization and focusing on policies and systems. IRCTC firmly believes in the strength of its most vital asset i.e. Human Resource. IRCTC cares and values for its human resource which is the bedrock of success story. To keep the employees' morale high, your Company extends several welfare benefits to them and their families by way of implementing various new and revised welfare policies for its Employees.

As on 31<sup>st</sup> March, 2016, the Company had a total manpower strength of 3310 employees with the following details:

Category	No. of Employees
Regular Employees	1420
Deputationists	52
On Contract/ZTO	11
Consultants	43
Out Sourced	1784

The percentage of women employees, SC/ST/OBC employees, persons with disabilities and ex-servicemen out of regular employees of the Company is mentioned below:

Category	No. of Employees	% of total no. of regular employees
Women employees	118	8.31
SC Personnel	233	16.41
ST Personnel	62	4.37
Other Backward Classes	337	23.73
Persons with Disabilities	05	0.35
Ex-Serviceman	NIL	0.00

Government of India has issued policies on reservation(s) from time to time providing for certain percentages of reservation on direct recruitment as well as promotion in specified posts for reservation of SCs and STs. IRCTC, being a Central Government Public Sector Undertaking, strictly complies the reservation policies through maintenance of Post Based Roaster System as prescribed by the Government.

During the year, no recruitment in the reserved category of SC, ST, Persons with Disabilities and Ex-Serviceman was done except 01 (one) recruitment from Other Backward Classes.

### 4. INDUSTRIAL RELATIONS

The Industrial/Employee relations climate remained congenial and constructive. There were no man-days or man hours lost during the year on account of any industrial conflict/unrest.



### 5. PARTICULARS OF EMPLOYEES UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

During the year under review, none of the employees of the Company has drawn remuneration exceeding the limits laid down to be disclosed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 6. USE OF INFORMATION TECHNOLOGY (IT) AND ENTERPRISE RESOURCE PLANNING (ERP)

During the year, IT department implemented a web based Open Sourced ERP system named as "Open ERP", 4G Technology of Wifi in Luxury Tourist Train Maharajas' Express & Buddhist Mahaparinirman Express/Dessert Circuit Train and various in-house developed Application Program Interface (APIs), viz, Twitter Log, Document Servlet, Email Servlet, InspMISRpt Servlet, Central Kitchen and EmpFile Upload.

Post Implementation support for various in-house developed applications are also managed by in-house dedicated team of IT at www.irctc.com Portal, viz, File Tracking System, MCDO, Sales & Inventory Management System, Feedback Management System, Telecatering system, Email Tracking System, Tender upload & Central Public Procurement Portal and Online tendering through E-tendering system. Zimbra mail server "mx.irctc.com" was also upgraded during the year.

The Company organised the Inauguration of E-bedroll Service at NDLS by Hon'ble Minister of Railways on 11.02.2016, which was recorded and viewed across zones & regions through IP based CCTV technology.

### 7. VIGILANCE

The Vigilance Department is headed by a full-time Chief Vigilance Officer. The Vigilance Department of IRCTC consists of 12 officials including CVO. During the year, emphasis continued on 'Preventive Vigilance' to improve the system and procedures, thereby increasing transparency, accountability and reducing the scope for discretion. Preventive/Surprise checks were conducted in all departments of IRCTC working to detect system failures and existence of corruption/malpractices.

During the year 2015-16, the Vigilance Department investigated 12 complaints and conducted 100 Preventive/Surprise checks resulting in recovery of fine of ₹ 82,59,919/- from catering licensees, e-ticketing agents etc. Suitable punitive action was also taken against the erring officials. On the recommendations of vigilance, 8 system improvements were implemented by the various departments of IRCTC. Sensitization programs for staff, licensees and e- ticketing agents were conducted throughout the year. Regular exchange of views between CMD, CVO, Directors and senior Management was established for better co-ordination and overall improvement in Vigilance functioning. CVC and his officials were consulted regularly for effective flow of instructions/guidelines.

The Vigilance Awareness week was organized from 26<sup>th</sup> October, 2015 to 31<sup>st</sup> October, 2015. 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. During Vigilance Awareness Week - 2015, various Skits were organized at New Delhi Railway Station, Chennai Central Railway Station, CST Railway Station and Howrah Railway Station during the week, conveying the message about benefits of e-ticketing, Do's and Don'ts to be followed while booking e-tickets through IRCTC authorized agents, consequences of booking e-tickets through touts and usage of Rail Neer instead of using unapproved brand of packaged drinking water. A "Vigilance Bulletin 2015" was published for the first time, encompassing all relevant OMs/GOs/Rules & guidelines and was circulated widely.



The tenure of the previous CVO ended on 15<sup>th</sup> June 2016 and pending appointment of a new full time CVO, the functions are being discharged by GGM (Services) of the Company.



**8. RIGHT TO INFORMATION ACT, 2005**

The Right to Information Act, 2005 seeks to provide for setting out the practical regime of **right to information** for citizens to secure access to information under the control of public authorities in order to promote transparency and accountability in the working of every public authority. To deal with RTI Applications in a fast track mode, IRCTC generates one Unique Registration Number (URN) for each application and the same is replied by the concerned PIO well before the prescribed time limit. In Corporate Office and Zonal Offices, PIOs and Appellate Authorities have been nominated as per the provisions of RTI Act, 2005. The list of PIOs, Appellate Authorities and CPIO is available on the IRCTC website [www.irctc.com](http://www.irctc.com).

During 2015-16, a total of 1044 cases under RTI Act, 2005 were received and all the applications were disposed off in time.

**9. DISCLOSURE REQUIREMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE ACT (PREVENTION, PROHIBITION AND REDRESSAL ACT) 2013**

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereon are being strictly complied with. In accordance with the Act, to provide protection against sexual harassment of women at workplace and to maintain their safety, IRCTC has nominated the committee(s) with the composition as required under the Act, at Corporate Office as well as Zonal offices of the company.

During the year 2015-16, one complaint was received from IT dept. of IRCTC, New Delhi. Immediate enquiry was initiated through Internal Complaints Committee on Prevention of Sexual Harassment of Women at Workplace and the complaint was disposed off in prescribed time limit.

**10. DEPOSITS**

The Company has not accepted or invited any deposits from the public under Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Therefore the information required to be reported under Rule 8 (5) (v) of Companies (Accounts) Rules, 2014 is **NIL**.

**11. PARTICULARS OF LOANS & GUARANTEES GIVEN, INVESTMENTS MADE AND SECURITIES PROVIDED**

During the year, the Company has not provided any loan, made any investment; or provided any guarantee under section 186 of Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014. Therefore, the information to be reported under section 186 of the Companies Act 2013 is **NIL**.

**12. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

The Company did not enter into any contract / arrangement / transaction with related parties under section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 during the year under review and, therefore, there is 'Nil' information required to be reported under Form AOC-2 prescribed under clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 8 of Companies (Accounts) Rules 2014.

**13. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has in place an internal control system which commensurates with size, scale and complexity of its operations. Internal audit constitutes an important element in overall internal control systems of the company. Details of the internal control system are provided in the Management Discussion and Analysis Report given at **Annexure-“A”**.

***Fraud Prevention and Detection Policy***

The Company has in place a Fraud Prevention and Detection Policy. The Policy provides a system for detection and prevention of fraud, misappropriations and other irregularities, reporting of fraud detected or suspected, if any, and fair dealing of matters which pertains to fraud. Fraud Prevention Policy promotes the culture of honesty and opposition to fraudulent practices. The same is available on the website of the Company – [www.irctc.com](http://www.irctc.com).

**14. RISK MANAGEMENT**

The Company has in place 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.



The Company has formed a Board Level Risk Management Committee and the details of the composition, meeting held and terms of reference are included under the Report of Corporate Governance given at **Annexure-“B”**.

The Company also has a Committee of GGM level officers, which is assisted by a Chief Risk Officer (CRO). The functions of the Committee are to identify the risks related to the specific business segments of IRCTC in order to establish an appropriate risk management framework in the Company. This Committee also submit their report on regular basis to the Audit Committee and Board Level Risk Management Committee. The Company also nominated its employees of senior level for trainings related to Enterprise Risk Management during the financial year 2015-16.

The Risk Management Policy of the Company is also available on website [www.irctc.com](http://www.irctc.com).

### 15. SIGNIFICANT AND MATERIAL ORDERS

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

### 16. PROCUREMENT FROM MICRO SMALL AND MEDIUM ENTERPRISES (MSMEs)

During the financial year 2015-16, IRCTC has made a total value of procurement from MSME firms of ₹ 18.33 crore (14.40%) out of the total procurement of ₹ 127.30 crore.

MSME guidelines on public procurement policy dated 25<sup>th</sup> April, 2012 prescribes that 358 items have been reserved for purchase from MSMEs units including handicraft sector. Out of these reserved items, only two items, namely, (i) Corrugated Paper Board and Boxes and (ii) Paper Conversion Products are applicable for the Company, which are procured 100% from MSMEs only.

In view of above, MSME guidelines have been majorly complied with, except the requirement of 20% of annual procurement of goods & services from MSMEs, as items required by IRCTC, in accordance with Railway Board's guidelines, have limited applicability for MSME manufacturers.

### 17. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

The details pertaining to Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given as under:

IRCTC is well aware about environment protection and conservation, technological conservation, renewable energy developments and foreign exchange conservation. All out efforts and initiatives are taken by IRCTC to minimize adverse environmental impacts from its operations, products and services by using processes, practices, materials and products that avoid, reduce and control pollution. Compliance with the relevant environmental laws and effective operation of the various pollution control facilities are ensured at all the Plants/Units. For ensuring a safe and clean environment, Central Kitchen, Noida has installed vermicompost for organic waste and Effluent Treatment Plant for treatment of water and is using solar energy for provision of hot water and two induction base brat pans are being used for cooking food.

All major Installations at Rail Neer Plants are accredited with ISO 9001-2008 and technology/capacity upgradation from time to time at plants ensures to reduce the wastage of water. The Company is also planning to install solar panels at Rail Neer Plants for conservation of energy. The senior officials of the Company are also sent in seminars/trainings which are conducted to spread awareness in this regard.

#### (A) Technology absorption

Details are mentioned below in the table

S.No.	Particulars	Status
(a)	the details of technology imported;	NIL
(b)	the year of import;	NA
(c)	whether the technology been fully absorbed;	NA
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA



### (B) Expenditure incurred on Research and Development

Your Company does not undertake exclusive research projects as it does not have presence in such domain. However, to improve the technical capability and enhance competence, some methods and techniques have been developed and innovative systems have been introduced.

### (C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows as compare to previous year are mentioned below:

(₹ in lakhs)		
Particulars	2015-16	2014-15
Foreign Exchange Earning	3522.72	2188.53
<b>Foreign Exchange Outgo</b>		
Foreign Travelling Expenses	31.14	39.95

## 18. PRESIDENTIAL DIRECTIVES

Ministry of Railways has issued a Presidential Directive vide its Order no. 2011/PL/64/3/Pt.1, dated 29.04.2016, stating that with the approval of the President of India, CPSEs are hereby directed that the total dividend for the financial year 2015-16 shall be paid at the rate of 40% of Profit After tax. Further, interim dividend for the financial year 2016-17 shall be 20 per cent higher than the interim dividend 2015-16 and total dividend for the FY 2016-17 shall be minimum 40 per cent of Profit after Tax.

## 19. 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 Corporation is bilingual. For outstanding and note worthy contribution in Rajbhasha, number of incentives and reward schemes are in force.

A Hindi week was organized in the month of September 2015 in the corporate office in which various competitions, such as Hindi Quiz, Write Hindi in one minute, Hindi dictation, Hindi Essay and Hindi Typing competitions were organized, in which large number of participants took part. Winners were awarded with Cash awards and Certificate.

## 20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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. A separate report on the Management Discussion and Analysis is given at **Annexure-"A"**.

## 21. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report highlighting the Company's philosophy on Corporate Governance, composition of Board of Directors and its Committees as on 31<sup>st</sup> March, 2016, attendance, remuneration of Directors, CEO/CFO Certification and *other relevant disclosures* is given at **Annexure-"B"**. It is supplemented by the following compliance certificates.

- A Certificate from the Chairman and Managing Director and Director Finance (CFO) with regard to authenticity of financial statements (**placed at Annexure "B-1"**) in accordance with the guidelines of Corporate Governance of DPE and;
- A Certificate of compliance of Corporate Governance signed by a practicing Company Secretary (**placed at Annexure "B-2"**) as per guidelines of Department of Public Enterprises on Corporate Governance.



### 22. REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

A separate report on the Corporate Social Responsibility (CSR) and Sustainability containing the Company's CSR and SD activities, Budget and expenditure during 2015-16 is given at **Annexure-"C"**.

### 23. EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed form MGT-9 is appended to the Directors' Report as **Annexure "D"**.

### 24. MEMORANDUM OF UNDERSTANDING

The performance of the Company in terms of MoU signed with the Ministry of Railways, Government of India for the financial year 2014-15 has been rated as "Excellent". Based on the self evaluation, your Company is expecting to achieve an "Excellent" rating for 2015-16 also.

### 25. AWARDS AND ACHIEVEMENTS

IRCTC endeavors for an all round growth and the same is reflected in the list of awards and achievements:

1. Indian e-Retail Awards 2015, in the category "Leisure and Travel eRetailer of the Year" – 17.04.2015
2. News Ink legend PSU Shining Awards 2014 in the category – Legend PSU of the year for Customer Friendly Operations – 27.04.2015
3. Website of the Year India award (WOTY 2014) for IRCTC's tourism website – [www.irctctourism.com](http://www.irctctourism.com) – April 2015
4. IRCTC Mobile App – IRCTC Connect has been awarded Mobillion 2015 award under the category "Best Use of Mobile App" – 30.04.2015
5. Brand IRCTC listed as Most Trusted Brand in the category of Railways Service Provider in 'The Brand Trust Report, India Study 2015' by Trust Research Advisory (A Comniscient Group Company).
6. Dainik Bhaskar India Pride Awards 2014-15 – Under category Consumer Industry – 04.06.2015



7. World Travel Awards 2015 for Maharajas' Express, as the World's Leading Luxury Train.
8. CNBC-AWAAZ Travel Awards 2015 – Maharajas' Express adjudged "Best Luxury Train" – 04.06.2015
9. IRCTC has been placed in the list of '100 most influential CFOs of India' by Chartered Institute of Management Accountants (CIMA), the world's largest professional body of management accountants. – Mumbai 23.07.2015







10. Director Finance of the Year' award to Sh. M.P. Mall by Bharat Nirman, a leading NGO dedicated to promotion of Indian culture and traditions, for its prestigious India Excellence Awards for the year 2015 – 01.07.2015
11. IRCTC was identified as one of Delhi-NCR Hot 50 Brands at The Delhi-NCR Brand Summit 2015 recognizing excellence in the brand marketing- 28.08.2015.
12. Internationally acclaimed Maharajas' Express, owned and operated by IRCTC, has been conferred the coveted 'Seven Star Global Luxury Award' at a function in Bali, Indonesia, further strengthening its brand as the world's leading luxury train -19.09.2015.



13. EMC award for the IT department- October, 2015.
14. 3<sup>rd</sup> Governance Now PSU award in Mini Ratna I category for ICT initiatives on 17.12.2015, held at The Imperial, New Delhi.



15. Website of the year award (WOTY) for www.ircctourism.com for the year 2015 on 21.12.2015 by Metrixlab.
16. IRCTC's new Next Generation e-Ticketing System gets Gold in national award for e-governance 2015-16 in the category of "Innovative Use of ICT by Central Government PSUs.
17. India Power Brand 2016 award in the category of "Most Recognizable Brand of Indian Origin" within its industry segment - March, 2016.



**26. ESTABLISHMENT OF VIGIL MECHANISM**

Disclosure regarding establishment of vigil mechanism is included under the Corporate Governance Report at **Annexure-"B"**.

**27. JOINT VENTURES/SUBSIDIARIES**

The Company had formed a joint venture company with Cox & Kings Limited with 50:50 equity partnership in the name of Royale Indian Rail Tours Limited (RIRTL) by virtue of Joint venture Agreement dated 10<sup>th</sup> December, 2008.

The Company was incorporated to acquire, furnish, maintain, manage and operate luxury trains, and to market holiday packages with such luxury trains as an integral part. Accordingly, as per the Joint Venture agreement, a Luxury train of 23 coaches in the name of "Maharajas Express" was constructed, funded and created by IRCTC and was given to Royale Indian Rail Tours Limited (RIRTL) for operations and maintenance. However, due to the issues between the equity partners, IRCTC terminated the agreement with Cox and Kings Ltd on 12<sup>th</sup> August, 2011 and also withdrawn the train from RIRTL.

IRCTC had initiated proceedings under section 397 and 398 of the Companies Act, 1956 against Cox and Kings Ltd. and its officers, which is sub-judice. Details of the Joint Venture are covered in the Notes to Accounts of the financial statements for the periods ending 31<sup>st</sup> March 2016 vide Note No. 31.3, No. 38 and No. 39. RIRTL has also taken permission from the Company Law Board (CLB) for not holding the Board and General meetings without its approval in July, 2013.

**28. CONSOLIDATION OF FINANCIAL STATEMENTS**

As mentioned in the para above, the Board meetings and general meetings of the Company have not been held after the financial year 2010-2011, due to pending dispute with Cox & Kings Limited. Therefore, the consolidation of financial statements as required under section 129(3) of the Companies Act 2013 could not be done as also explained and disclosed vide Note No. 39 of the Notes to accounts of the financial statements for the period ending 31<sup>st</sup> March 2016.

**29. AUDITORS****29.1 Statutory Auditors**

Under section 139(5) of the Companies Act 2013, Comptroller & Auditor General of India has appointed M/s Serva Associates, as Statutory Auditors of the Company to audit the financial statements for the financial year 2015-16. The Statutory auditor has been paid an audit fee of ₹ 7.08 lac plus applicable taxes and out of pocket expenses for the year 2015-16. The Statutory Auditor has audited the annual financial statements of the Company for the period ending 31<sup>st</sup> March, 2016.

**29.2 Cost Auditors**

As the business segments of the Company are not covered under new Cost Audit Rules notified by Ministry of Corporate Affairs dated 30.06.2014 and 31.12.2014, the Company got conducted the cost audit of cost records maintained by the Rail Neer Plants of the company on *voluntary basis only* through M/s Sanjay Gupta & Associates as the Cost Auditor for the year 2015-16.

**29.3 Secretarial Auditor**

Pursuant to section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, IRCTC has re-appointed M/s Akhil Rohtagi, Company Secretaries, an independent practicing firm of Company Secretaries to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as **Annexure- "E"** to this Report.

**29.4 Internal Auditor**

As per the section 138 of the Companies read with Rule 13 of Companies (Accounts) Rules 2014, the Company has appointed M/s Kumar Vijay Gupta & Co., Chartered Accountants, an independent Chartered Accountant firm to undertake the assignment of internal audit for FY 2015-16. The details regarding scope and functions of the firm is placed in the Management Discussion and Analysis Report at **Annexure-"A"**.

**30. COMMENTS OF COMPTROLLER & AUDITOR GENERAL (C&AG) OF INDIA**

The Comptroller & Auditor General of India has undertaken supplementary audit on the financial statements of the Company for the year ended 31<sup>st</sup> March, 2016 under Section 143(6) of the Companies Act, 2013.

The comments of the C & AG on the Annual Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 shall also form part of this report.

**31. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company in pursuance of section 134 (5) of Companies Act 2013 confirms that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a going concern basis; and
- (v) that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**32. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)**

Chairman & Managing Director, Director (Finance), Director (Catering Services), Director (Tourism & Marketing) and Company Secretary are Key Managerial Personnel (KMPs) of the Company. The role of CEO is being performed by the Chairman & Management Director and the role of CFO is being performed by Director (Finance) of the Company.

The following changes have taken place in the Board of Directors and Key Managerial Personnel of your Company since the last Directors' Report:

**Appointment:**

- (i) Shri Ranjan Prakash Thakur (DIN 07309901), Executive Director (T&C), Railway Board has been appointed as part-time (official) Director on the Board of the Company w.e.f. 08<sup>th</sup> October, 2015.
- (ii) Shri Sriram Venkatachalam (DIN 07445220), Regional Director, IRCTC/South Zone assumed the charge of Director (Catering Services) on the Board of the Company w.e.f 11<sup>th</sup> March, 2016.
- (iii) Smt. Sunira Bassi (DIN 07554378), Advisor (T&C), Railway Board has been appointed as part-time (official) Director on the Board of the company w.e.f 27<sup>th</sup> June, 2016.

**Cessation:**

- (i) Smt. Mani Anand (DIN 03085030), the then Executive Director (T&C), Railway Board ceased to be part-time (official) Director on the Board of the Company on 18<sup>th</sup> August, 2015 as communicated by Ministry of Railways.
- (ii) Shri Rabindra Nath Kalita (DIN 00843481), ceased to be a Director (Catering Services) of the Company due to his superannuation on 29<sup>th</sup> February, 2016.
- (iii) Shri Ranjan Prakash Thakur (DIN 07309901), the then Executive Director (T&C), Railway Board ceased to be a part-time (official) Director of the company w.e.f 15<sup>th</sup> June, 2016 as communicated by Ministry of Railways.

The Board of Directors wishes to place on record their deep appreciation for the valuable services rendered as well as the advice and guidance provided by Smt. Mani Anand, Ex-ED (T&C), Railway Board, Sh. R. N. Kalita, Ex- Director (Catering Services) and Sh. Ranjan Prakash Thakur, Ex- ED (T&C), Railway Board during their tenure with the Company.



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

1.	Dr. Arun Kumar Manocha (DIN: 06976502) Chairman & Managing Director	From 19 <sup>th</sup> September 2014 onwards
2.	Sh. Mahendra Pratap Mall (DIN: 02316235) Director (Finance)	From 21 <sup>st</sup> January, 2013 onwards
3.	Smt. Amritbir Kaur Brar (DIN: 06780608) Director (Tourism & Marketing)	From 1 <sup>st</sup> January, 2014 onwards
4.	Sh. Sriram Venkatachalam (DIN: 07445220) Director (Catering Services)	From 11 <sup>th</sup> March, 2016 onwards
5.	Sh. Prashanth Kumar Balsavar (DIN: 07189241) Part-time (official) Director	From 20 <sup>th</sup> May, 2015 onwards
6.	Smt. Sunira Bassi (DIN: 07554378) Part-time (official) Director	From 27 <sup>th</sup> June, 2016 onwards

### **33. ACKNOWLEDGEMENTS**

The Board of Directors place on record their thanks for the guidance and cooperation extended to the Company by the Government of India, Ministry of Railways, Ministry of Tourism and Department of Public Enterprises. The Board of Directors is also extremely grateful to its valued customers and licensees.

The Board also acknowledges with thanks the constructive suggestions received from C&AG of India, Statutory Auditors, Internal Auditors, Secretarial Auditor and Cost Auditors.

Last but not the least, the Board wishes to place on record its sincere appreciation for the untiring efforts and contributions made by the employee at all levels, to ensure that the Company continues to grow and excel.

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

**Sd/-**

**(Dr. A. K. Manocha)**

**Chairman & Managing Director**

**DIN:06976502**

**Place : New Delhi**

**Date: 17<sup>th</sup> August, 2016**



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1) INDUSTRY STRUCTURE AND DEVELOPMENT****1.1 ECONOMIC SCENARIO**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to **the Economic Survey 2015-16**, the Indian economy is expected to grow at more than 7 per cent in 2016-17, followed by further acceleration to 7.9 per cent in 2017-18.

The service sector in India has remained the most vibrant sector in terms of contribution to national and state incomes, trade flows, FDI inflows, and employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction. According to **the Economic Survey 2015-16**, the services sector contributed almost 66.1% of its gross value added growth in 2015-16 becoming the important net foreign exchange earner and the most attractive sector for FDI (Foreign Direct Investment) inflows. Despite the slowdown in the post crisis period (2010-14) India showed the fastest service sector growth with a CAGR (Compound Annual Growth Rate) of 8.6% followed by China at 8.4%. Foreign Direct Investment (FDI) in India have increased by 29 per cent during October 2014-December 2015 period post the launch of **Make in India campaign**, compared to the 15-month period before the launch.

The steps taken by the government in recent times have shown positive results as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices 2015-16 is ₹ 113.5 trillion (US\$ 1.668 trillion), as against ₹ 105.5 trillion (US\$ 1.55 trillion) in 2014-15, registering a growth rate of 7.6 per cent. **The economic activities which witnessed significant growth were ‘financing, insurance, real estate and business services’ at 11.5 per cent and ‘trade, hotels, transport, communication services’ at 10.7 per cent.**

**1.2 CATERING INDUSTRY OVERVIEW:**

In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry. It is expected to touch US\$ 482 billion by 2020.

The food industry, which is currently valued at US\$ 39.71 billion, is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 per cent to US\$65.4 billion by 2018. Food and grocery account for around 31 per cent of India's consumption basket.

Catering services business is a rewarding option with huge potential of growth. Considering the importance of social celebrations and events, corporate cultures and social lifestyle, the catering industry is expected to expand its status and profitable nature further. The restaurant industry came up with good figures even when other industries were struggling during the period of recession. The consumers in the India middle & upper class spend about 30 percent of their total food budget in the restaurants. This clearly indicates how the establishments like restaurants, cafes and other types of eateries are growing their profits year after year.

India is a country where numerous festivals and ceremonies are held in the form of important events. So, the scope of the catering industry in such a country is worth taking a note. The members of the Indian families usually took care of different arrangements during a social gathering or an event. This trend is fast being replaced by the people's interest in hiring catering services. Apart from the social gatherings and festive occasions, the formal events, seminars, conferences and other business related events consider professional catering services to add to the success of these events.

**1.3 HOSPITALITY INDUSTRY OVERVIEW:**

The history of the hotel industry is as old as the history of tourism and travel industry. Both are complementary to each other. Hotel is a commercial establishment and intends to provide visitors with lodging, food and related services with a view to please them so as to build goodwill and to let them carry happy memories.

Indian hospitality industry is considered a major attraction for FDI. The sector of India is growing at an extremely fast pace and clocking CAGR of 14 %. The existing gap between demand and supply of hospitality services is expected to widen further as the Indian economy grows. The Indian government estimates the



requirement of more than 2,00,000 rooms by the end of this year. The foreign investors are tapping this opportunity in a big way, According to DIPP, the amount of FDI inflow in the industry during the last couple of years was more than US\$ 6 Billion.

In the Indian hospitality industry, the major players are Indian Hotels, EIH, ITC Hotels, Hotel Leela Ventures, Bharat Hotels and Asian Hotels, ITDC and Orient Hotels Ltd. The booming industry has attracted many international players as well. A number of global players are already well established in India. These include Hilton, Shangri-La, Radisson, Marriott, Meridian, Sheraton, Hyatt, Holiday Inn, InterContinental and Crown Plaza.

### Market Size

Indian hospitality sector is the 2<sup>nd</sup> largest employer in the country.

E-visa facility offered to 113 countries by the Govt. of India & this will further expand to 150 countries.

Over 7.757 million foreign tourist arrivals were reported in 2015.

### Achievements

India has been the most attractive destination for global hospitality industry players.

Strong Govt. promotion through “Incredible India” & “Athithi Devo Bhava” (Visitors are like God) campaigns.

Rapid growth in the industry has created a huge demand for world class ingredient & equipment suppliers.

### Road Ahead

Online hotel bookings in India are expected to double by 2016 due to the increasing penetration of the internet and smart phones.

₹ 5 Billion budget for creation of 5 tourist circuits around specific themes.

ICRA estimates a revenue growth of 9-11% in current financial year.

As per World Tourism Organization, 15.3 million foreign tourist arrivals are expected to arrive in India by 2025.

Many domestic & International hotel chains have ambitious expansion plans.

## 1.4 TOURISM INDUSTRY OVERVIEW:

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Today tourism is the largest service industry in India, with a contribution of 6.23% to the national GDP and providing 8.78% of the total employment. India witness more than 5 million annual foreign tourist arrivals and 562 million domestic tourism visits. The tourism industry in India generated about US\$100 billion in 2008 and that is expected to increase to US\$275.5 billion by 2018 at a 9.4% annual growth rate.

Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

Despite the economic slowdown, **medical tourism** in India is the fastest growing segment of tourism industry, according to the market research report “**Booming Medical Tourism in India**”. The report adds that India offers a great potential in the medical tourism industry. Factors such as low cost, scale and range of treatments provided in the country add to its attractiveness as a medical tourism destination.

The tourism and hospitality sector is among the top 15 sectors in India to attract the highest Foreign Direct Investment (FDI). During the period April 2000-September 2015, the hotel and tourism sector attracted around US\$ 8.48 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP).



### Market Size

Tourism accounts for 6.8% of GDP & the 3<sup>rd</sup> largest foreign exchange earner.

The number of Foreign Tourist Arrivals (FTAs) has grown steadily in the last three years reaching around 7.103 million during January–November 2015 (4.5 per cent growth).

The number of FTAs in November 2015 was 8,15,000, registering an increase of 6.5 per cent over November 2014.

Foreign Exchange Earnings (FEEs) from tourism during January-November 2015 were ₹ 1,12,958 crore (US\$ 16.94 billion), registering a growth of 1 per cent over same period last year.

The number of tourists arriving on e-Tourist Visa during the month of October 2015 reached a total of 56,477 registering a growth of 1987.9 per cent or 21 times as compared to 2,705 tourists in October 2014.

### Achievements

India has been ranked the **"best country brand for value-for-money"** in the Country Brand Index (CBI) survey conducted by *Future Brand*, a leading global brand consultancy.

India also claimed the second place in CBI's **"best country brand for history"**.

India appears among the top 5 in the best country brand for **authenticity and art & culture** and fourth best new country for **Business**.

India has moved up 13 positions to **52<sup>nd</sup> rank from 65<sup>th</sup>** in **Tourism & Travel competitive index**.

### Government Initiatives

The Indian government has realized the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

The Indian government has released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. In November 2014, Government of India launched Tourist Visa on Arrival (TVoA) which is enabled by Electronic Travel Authorization (ETA), known as the e-Tourist Visa scheme for 43 countries.

The Government of India has launched the **"Incredible India"** mobile application. This app demonstrates the Ministry of Tourism's commitment to the use of technology for service delivery. The Ministry of Tourism is the nodal agency for the development and promotion of tourism in India and maintains the **"Incredible India"** campaign.

Ministry of Tourism has sanctioned ₹ 844.96 crore (US\$ 142 million) to States and Union Territories for developing tourism destinations and circuits during FY 2014-15, which includes projects relating to Product/Infrastructure Development for Destinations and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals & Rural Tourism.

Government of India plans to cover 150 countries under **e-visa scheme** by the end of the year besides opening an airport in the NCR region in order to ease the pressure on Delhi airport.

### Road Ahead

Expected share of tourists by expenditure – Domestic travellers are expected to contribute around 84.7 per cent to total tourism revenues by 2024.

The demand for travel and tourism in India is expected to grow by 8.2 per cent between 2010 and 2019 and will place India at the third position in the world.

India's travel and tourism sector is expected to be the second largest employer in the world, employing 40,037,000 by 2019.

Capital investment in India's travel and tourism sector is expected to grow at 8.8 per cent between 2010 and 2019.



### 1.5 E-COMMERCE INDUSTRY OVERVIEW:

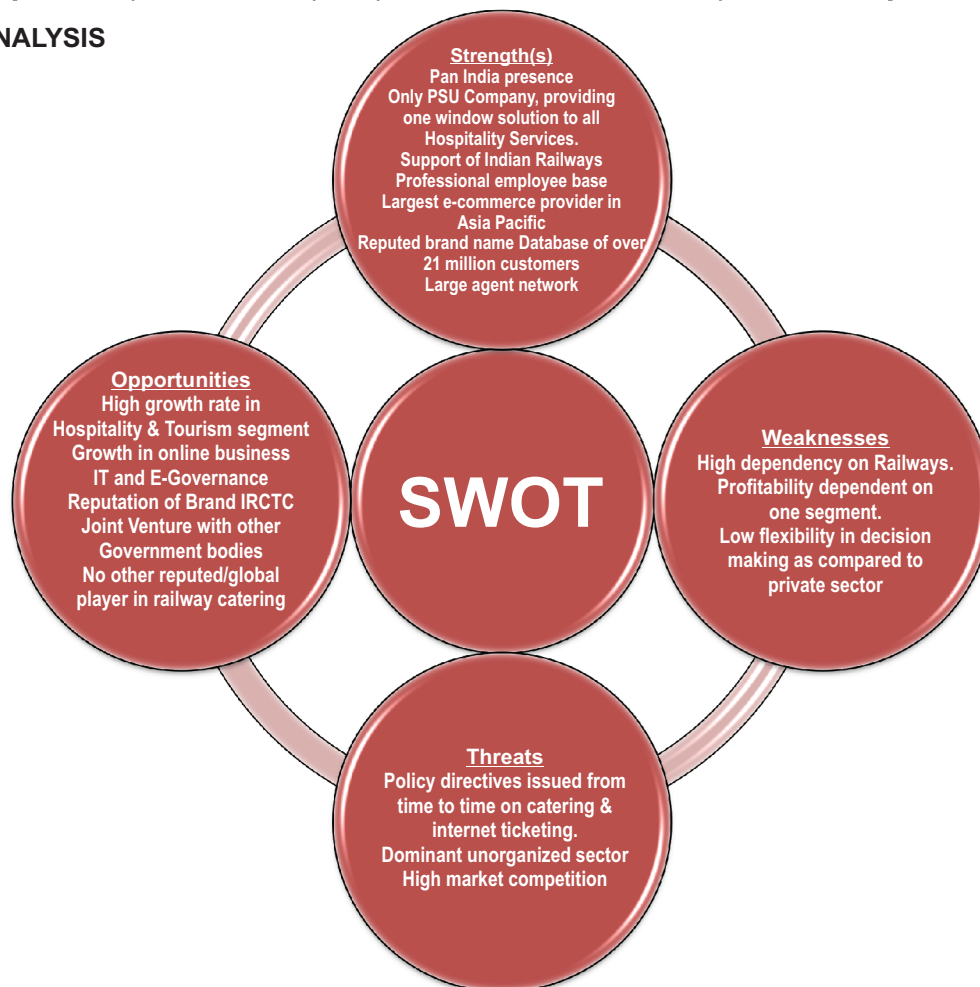
India has seen a dramatic shift towards acceptance and rise of the e-commerce industry in India over the past few years. The key growth drivers are greater internet penetration, a rise in number of online shoppers and an increase in per capita income. **It has been witnessed by the fact that IRCTC is now the largest website in the Asia-Pacific region with a transaction volume of 15-18 million per month and 12 million visitors a month.**

As per Google and AT Kearney said in a report titled Digital Retail 2020, with a strong consumer base of around 175 million, Indian e-commerce could reach \$60 billion in gross merchandise value (GMV) by 2020. E-commerce sales in India are expected to grow from \$14 billion in 2015 to \$55 billion in 2018, says a report by marketing research firm e-Marketer. India has seen the fastest growth in the retail e-commerce section among the Asia-Pacific countries, growing 133.8% in 2014 and 129.5% in 2015. E-Marketer also forecasts that this growth will stabilize to 23.9% in 2019, compared with an Asia-Pacific projected average growth of 23.5%. With an established base in the area of technology, both in domestic and international markets, India is well poised to take rapid strides in this emerging sector that offers a lot of growth potential in coming years.

### 1.6 BOTTLED WATER INDUSTRY OVERVIEW:

With a rise in health awareness, increase in tourism and the easy availability of bottled water, the per capita consumption of bottled water in India is on the increase. The total market was valued at ₹ 60 billion in 2013, of which the top five players accounted for 67 per cent of the market share. This market is expected to grow at a CAGR of 22 percent to reach ₹ 160 billion in 2018. Packaged Drinking Water which holds about 85% of the market, is also witnessing strong growth due to other factors, including changes in the lifestyle and an increase in the foreign tourist arrivals. With the aim to capture all the segments of society, players have started foraying into packaged water pouches at low price points, but this is still in the experimental stage.

## 2) SWOT ANALYSIS





**3) OUTLOOK**

IRCTC, as one of the only Catering and Hospitality Company in Public Sector in the Country, has been playing a pivotal role in the field of Catering & Hospitality, Travel & Tourism, Internet Ticketing and Packaged Drinking Water (Rail Neer) by providing value added products and integrated services under single roof to passengers, tourists and other customers with high level of satisfaction.

For the year 2016-17, in view of catering being given back to IRCTC, as per Rail Budget Announcement 2016-17, internal processes have been started for preparation of takeover of catering from Railways, including staff management, preparation of tender documents, unbundling of products and services, networking of Base Kitchens and finalization of load sizing of trains. In addition to 3 existing Executive lounges at New Delhi, Jaipur and Agra Cantt railway stations, Company is planning to set up more Executive lounges at identified Railway Stations in the forthcoming years. Other ongoing projects like E-catering are also making a steady growth.

The Company is focused to further enhance tourism business in the coming years by expanding existing business lines as well as introducing new products viz, International and Domestic Air packages, Helicopter Air services, Gatiman type Rail Tour packages, Pick up and Drop (Concierge) services, Cab services, Medical Tourism and Inbound as well as Outbound travel services for individual travellers.

Also, the company has been continuously working in the field of Internet Ticketing in order to provide improved booking services to customers by improving the software, launching of mobile app for easy access to the IRCTC ticketing portal and booking through mobile e-wallets.

The business of Water Vending Machines as a complementary offering to packaged drinking water has been initiated by the Company already.

**4) RISKS AND CONCERNS****4.1 Catering:**

Catering business of the Company continues to be heavily dependent of Railways.

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 formally communicated Ministry of Railways its view on the proposed transfer of Railway Catering services in phased manner and has also proposed a business model, which may be followed for managing mobile units through unbundling of services. The idea is to encourage private participation for capacity enhancement on Indian Railways and open up the Railway catering sector for private investment.

The departmental operation of catering activity has been a loss making proposition since time past though efforts to cut down the losses was made. Due to high manpower cost and absence of linkage between inflation and price revision, the losses could not be wiped out. The process of entering a revised protocol of understanding between Ministry of Railways and IRCTC is underway through the most likely arrangement of catering services back to IRCTC.

**4.2 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 ₹ 20/- per ticket for non AC classes and ₹ 40/- per ticket for AC classes with Service Tax. The service charge revenue is shared in the ratio of 50:50 with Indian Railways. This is reducing the revenues from Internet Ticketing by 50% directly. It may change in future and will depend upon the policy from Ministry of Railways.

The Ministry of Finance, Government of India has recently issued an office memo containing guidelines for 'Promotion of Payments through Cards and Digital Means' in order to provide the necessary incentives to use digital financial transactions to replace the use of cash over a period of time through policy intervention.

As per this policy, it is mandated that they, in view of the guidelines aforesaid, withdraw convenience fee/service charge/surcharge on customers who prefer to make card/ digital payments for essential commodities, utility service providers, petrol pumps, gas agencies, railway tickets/ IRCTC, tax departments, museums, monuments etc.



The service charge levied on the ticket amount is not a payment that is in any manner connected with the card payment, but it is a service charge for the services provided by IRCTC to be borne by the customers purchasing the ticket. This service charge has also been pursuant to the approval by the Railway Board from the very beginning. IRCTC has to levy this service charge because of the infrastructure that it maintains, including the expense towards software (its upgradation and maintenance) and the facility that it provides. This is costing IRCTC more than ₹ 180 crores.

The issue has arisen as to whether the guidelines also mandates that the service charge which is being charged by IRCTC for ticketing through its portal, (which charge is not connected with the fact that the customer is making card/digital payment) is also required to be withdrawn.

#### **4.3 Tourism:**

Tourism Industry is highly competitive at Domestic as well as International level. Economic downturn and political events in India as well as in the world can affect tourism in India. Natural Calamities, Policies and Charges applied by Railways for Tourism Packages and Trains are also the factors which affect this segment of the Company.

Quality of Service rendered by Service providers, unethical practice followed in Tourism Industry, proper marketing and promotion of Tourism Products by IRCTC and less flexibility compared to private players are also the areas for concern of management of the Company that needed to be taken care of while implementing any policy, procedures and strategy for this segment of the Company.

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

There is an 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 makes 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**

The Company maintains an adequate system of Internal Control in all the functional and operational areas including various policies and procedures which ensures the 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 Internal Audit is conducted by the experienced firms of Chartered Accountants in close co-ordination with concerned officials of the Company.

During the year, Internal Audit was conducted by M/s Kumar Vijay Gupta & Co., Chartered Accountants who have been appointed as Internal Auditor by the Board of Directors of the Company, in accordance with the provisions of Section 179 of Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014.

Internal Audit covers all the major areas of operations of the Company as per the Annual Internal Audit Programme. 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. A summary of audit observations and action taken reports are being submitted before the Audit Committee of Board of Directors and the recommendations of the Audit Committee are duly complied with.

### **6) INTEGRITY PACT**

IRCTC has implemented the integrity pact program in line with the recommendations of Central Vigilance Commission with an objective to ensure that all activities and transactions between a Company or Government departments and their Suppliers are handled in a fair, transparent and corruption free manner. 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. A coordinator has also been appointed for Integrity Pact which is now being used in all the tenders which are beyond the identified threshold values



## 7) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company continued to accomplish a healthy growth during the year. The total Revenue increased by 31.94% from ₹ 1141.21 crore to ₹ 1505.74 crore. Profit before tax grew by 44.21% from ₹ 214.03 crore to ₹ 308.66 crore in financial year 2015-16. The Profit after tax grew by 44.40% from ₹ 130.63 crore to ₹ 188.63 crore in financial year 2015-16. The comparative performance of major financial parameters during the financial years 2015-16 and 2014-15 is given below:

(₹ in Crores)

Particulars	2015-16	2014-15
Sales Turnover	1366.78	1062.44
Profit before interest, depreciation, exceptional items and tax (EBIDTA)	329.32	234.45
Less: Interest and Finance Charges	0.12	-
Less: Depreciation	20.54	20.42
Profit before tax (PBT) before exceptional items	308.66	214.03
Exceptional items : Loss(-)/Gain(+)	-	-
Profit before tax (PBT) after exceptional items	308.66	214.03
Less: Provision for taxation	120.03	83.40
Profit after tax (PAT)	188.63	130.63
Dividend (as a % of Equity) :	377	131
Final dividend (%)	75.45	26.13
Net-worth	542.07	444.25
Earning Per Share	94.32	65.31

### 7.1 ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

A detailed analysis of the Audited Financial Results of the Company for the FY 2015-16 vis-à-vis FY 2014-15 is as under:-

#### (a) REVENUE FROM OPERATIONS

(₹ in Lakh)

S.No.	Particulars	FY 2015-16	FY 2014-15	Change%
<b>A</b>	<b>Sale of Products</b>			
	(i) Railneer (Packaged Drinking Water)	13,051.95	9,226.77	41.46
	(ii) Departmental Catering			
	- Sale Of Food & Beverages	22,655.37	26,039.19	-13
	(iii) Non-Railway Business			
	- Income from Catering	2,655.06	3,432.14	-22.64
	- Income from Other Services	68.87	83.70	-17.72
	<b>Total-Sale of Product</b>	<b>38,431.25(I)</b>	<b>38,781.80 (I)</b>	<b>-0.90</b>
<b>B</b>	<b>Sale of Service</b>			
	<b>i) Internet Ticketing</b>			
	Service Charges Earned-IR Tickets	55,149.29	25,303.79	117.94
	<b>(a)</b>	<b>55,149.29</b>	<b>25,303.79</b>	<b>117.94</b>
	<b>ii) Income From Licencee Catering Services</b>			
	- Income from Catering & Comprehensive Service provided &-Income from on Board Catering & Other Services-Rajdhani/Shatabdi/ Premium Train	2,209.09	2,793.18	-20.91



<b>Income from Concession fees, Licence Fee etc</b>				
Income from Concession Fee	145.97	61.70	136.58	
Income from Licence Fee	1,714.89	981.42	74.73	
<b>Income From Licencee Fee/User Charges etc.</b>				
Income from User Charges-Food Plaza	285.61	333.82	-14.44	
Income from Licence Fee-Food Plaza	2,948.99	2,789.67	5.71	
<b>(b)</b>	<b>7,304.55</b>	<b>6,959.79</b>	<b>3.55</b>	
<b>iii) Tourism</b>				
- Travel & Tour Income	32,343.65	31,267.85	3.44	
- Income from User Charges-Rail Yatri Niwas	115.12	107.59	7.00	
- Income from Licence Fee-Rail Yatri Niwas	196.39	186.91	5.07	
- Maharaja Express-Revenue	4,578.71	4,504.70	1.64	
<b>(c)</b>	<b>37,233.87</b>	<b>36,067.05</b>	<b>3.24</b>	
<b>Total-Sale Of Services (a+b+c)</b>	<b>99,687.71(II)</b>	<b>68,330.63 (II)</b>	<b>45.89</b>	
<b>Other Operating Income</b>				
Scrap Sale-Rail Neer	45.70	31.38	45.63	
Scrap Sale-Departmental Catering	0.52	0.23	126.09	
Scrap Sale-Non-Railway Catering	3.83	1.42	169.72	
	<b>50.05(III)</b>	<b>33.03 (III)</b>	<b>51.53</b>	
<b>Revenue from Operation (Gross) (I+II+III)</b>	<b>1,38,169.01</b>	<b>1,07,145.46</b>	<b>28.95</b>	

### (b) OTHER INCOME

(₹ in Lakh)

Particulars	FY 2015-16	FY 2014-15	Change%
<b>Interest Income</b>			
- Interest Income on FDR's & TDR's (Gross)	4,803.63	2,346.81	104.69
- Interest Income-Other	69.71	-	100.00
<b>(a)</b>	<b>4873.34</b>	<b>2,346.81</b>	<b>107.66</b>
<b>Other Non-Operating Income</b>			
- Income From Licence Fee-Call Centre	225.00	200.00	12.50
- Income from Advertisement/SBI CO-Branded Cards & Loyalty Cards	5,935.85	2,871.37	106.72
- Income From Fees from IATA/RTSA/Internet Cafe, etc.	1,885.15	2,201.02	-14.35
- Miscellaneous Income	976.03	588.24	65.92
<b>(b)</b>	<b>9,022.03</b>	<b>5,860.63</b>	<b>53.94</b>
<b>Total (a+b)</b>	<b>13,895.37</b>	<b>8,207.44</b>	<b>69.30</b>

### (c) EXPENSES

(₹ in Lakh)

Particulars	FY 2015-16	FY 2014-15	Change%
Expenses of Licencee Catering Services	4,992.10	4970.00	0.44
Expenses of Tourism	29,869.95	28,946.93	3.19
Manufacturing & Direct Expenses	33,991.50	6,780.18	401.34
Employee Benefit Costs	16,461.18	17,494.79	-5.91
Financial Cost	11.51	-	100.00
Depreciation & Amortization Expenses	2,053.93	2,042.32	0.57
Other Expenses	9,043.59	8,534.45	5.96





(d) NON CURRENT/CURRENT ASSETS

(₹ in Lakh)

Particulars	FY 2015-16	FY 2014-15	Change%
<b>Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	14,742.79	14,037.14	5.03
(ii) Intangible assets	1,118.38	1,494.70	-25.18
(iii) Capital work-in-progress	1,419.16	1,647.82	-13.88
(b) Non-current investments	-	-	
(c) Long term loans and advances	2,859.06	2593.47	10.24
(d) Other Non Current Asset	9,061.32	10,280.40	-11.86
<b>Current Assets</b>			
(a) Inventories	826.07	953.63	-13.38
(b) Trade receivables	16,210.58	14,897.52	8.81
(c) Cash and Bank Balance	61,788.34	35,408.47	74.5
(d) Short-term loans and advances	32,335.31	33,486.97	-3.44
(e) Other current assets	3,343.87	1,411.17	136.96
<b>Total</b>	<b>1,43,704.88</b>	<b>1,16,211.29</b>	<b>23.66</b>

(e) NON CURRENT/CURRENT LIABILITIES

(₹ in Lakh)

Particulars	FY 2015-16	FY 2014-15	Change%
<b>Non-Current Liabilities</b>			
(a) Other Long term liabilities	10,402.15	9,609.35	8.25
(b) Long term provisions	7,162.40	5,492.34	30.41
<b>Current Liabilities</b>			
(a) Trade payables	5,130.11	4,035.94	27.11
(b) Other current liabilities	54,890.08	47,634.23	15.23
(c) Short-term provisions	11,912.84	5,014.13	137.58
<b>Total</b>	<b>89,497.58</b>	<b>71,785.99</b>	<b>24.67</b>

(f) CASH FLOWS

(₹ in Lakh)

Particulars	FY 2015-16	FY 2014-15	Change%
Net cash from operating activities	28765.38	6870.39	318.69
Net cash (used in) investment activities	700.49	(4584.14)	115.28
Net cash from financing activities	(3144.95)	(1684.73)	86.67
Cash and cash equivalents at the end of the year	<b>26,329.95</b>	<b>601.50</b>	<b>4,277.38</b>

(g) MOU FOR THE YEAR 2015-16 WITH MINISTRY OF RAILWAYS

MOU Parameters	MOU 2015-16 (for Excellent rating)	Actual 2015-16	Percentage Achievement
Sales Turnover (₹Cr.)	1025.00	1366.78	133.34%
Gross Operating Margin (₹Cr.)	204.00	280.80	137.65%
EBITDA/Net Block (%)	66.10	207.55	314.00%
Sales Turnover/ Net Block (%)	441.88	861.73	195.01%
PAT per Employee (₹Lakh)	5.09	12.72	249.90%
Current Ratio (Ratio)	1.153	1.592	138.07%



### 8) 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:

(₹ in Crores)

Particulars	FY 2015-16	FY 2014-15	Change%
<b>Segmental Income</b>			
Licencee Catering	76.49	69.79	9.6
Railneer	118.48	81.03	46.22
Internet Ticketing	632.15	308.12	105.16
Tourism	375.02	362.37	3.49
Departmental Catering	255.56	296.42	(13.78)
<b>Segmental Profit</b>			
Licencee Catering	19.43	8.22	136.37
Railneer	16.70	5.42	208.12
Internet Ticketing	262.09	215.59	21.57
Tourism	28.50	18.65	52.82
Departmental Catering	(66.09)	(57.32)	15.30

### 9) MATERIAL DEVELOPMENTS IN HUMAN RESOURCE: INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company has comprehensive, structured and strategic management of people and the workplace environment. The activities carried out in HRM include the recruitment, training, feedback, compensation, reward, incentives, safety, administration, motivation and performance management etc. Continuous efforts are being taken by IRCTC to attract, acquire and deploy the best human capital and keep them motivated and engaged.

In order to develop employees' competencies for superior performance, IRCTC provides various developmental programs to its employees to keep up with the latest developments and changes happening in the field of operations, technology, HR, finance, etc. During the year, training for 5059 Man Days (target of 5000 Man Days) was provided to employees in IT/Tourism/Catering/HRD and Finance departments in Corporate Office as well as various zones, 22 number (target of 20 number) of senior management personnel were also sent for training of Enterprise Risk Management and 28 number of Employee Contact Programme were also arranged to resolve pending issues/grievances of employees. Further, the details with respect to the number of employees with break-up are mentioned elsewhere in the report.

### 10) ENVIRONMENT PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION

The details with respect to environment protection and conservation, technological conservation, expenditure on research and developments and foreign exchange earnings and outgo are mentioned elsewhere in the report.

### 11) CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

IRCTC has a well-defined CSR and Sustainable Development Policy in line with Companies Act, 2013, CSR Rules and DPE's Guidelines on Corporate Social Responsibility and Sustainability. A separate chapter on Corporate Social Responsibility (CSR) & Sustainable Development (SD) is given at **Annexure-C**.

### 12) CAUTIONARY STATEMENT

Statement in the "Management Discussion and Analysis" and in the "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.

For and on behalf of Board of Directors

Sd/-

(Dr. A. K. Manocha)

Chairman & Managing Director

DIN:06976502

Place : New Delhi

Date: 17<sup>th</sup> August, 2016



### Annexure-“B” to the Directors’ Report

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

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”, by adopting the following key values:**

- ❖ 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.

Besides adhering to the provisions of Companies Act, 2013, rules thereof and Secretarial Standards issued by ICSI, IRCTC also follows the Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises (DPE), Government of India.

### 2. BOARD OF DIRECTORS

The Board serves as the ultimate decision making body of the company. It aims at enhancing the long term value for the stakeholders including the commitment to improve the community well being through Corporate Social Responsibility and Sustainability initiatives.

#### 2.1 Strength of the Board

IRCTC is Public Sector Undertaking under the administrative control of Ministry of Railways and a **“Government Company”** within the meaning of Section 2(45) of the Companies Act, 2013 as 100% of the total paid-up share capital of the Company is held by the President of India and its nominees (through Ministry of Railways).

As per the Articles of Association of the Company, the power to appoint Directors on the Board of the Company vests with President of India acting through Administrative Ministry. It further provides that the strength of the Board shall not be less than three (3) and not more than twelve (12) Directors.

#### 2.2 Composition of the Board

As on 31<sup>st</sup> March, 2016, the composition of Board of Directors stood as follows:

S.N.	Name of the Director	Director Identification Number (DIN)	Position
<b>WHOLE TIME DIRECTORS</b>			
1.	Dr. Arun Kumar Manocha	06976502	Chairman & Managing Director
2.	Shri Mahendra Pratap Mall	02316235	Director (Finance)
3.	Smt. Amritbir Kaur Brar	06780608	Director (Tourism & Marketing)
4.	Shri Sriram Venkatachalam	07445220	Director (Catering Services)
<b>PART-TIME (OFFICIAL) DIRECTORS – GOVERNMENT NOMINEES</b>			
5.	Shri Prashanth Kumar Balsavar	07189241	Government Nominee Director
6.	Shri Ranjan Prakash Thakur	07309901	Government Nominee Director

#### NOTES:

- i. The term ‘whole-time Director’ used in this report refers to Functional Directors.
- ii. The term ‘part-time Director’ used in this report refers to non-Executive Directors.
- iii. The term ‘official’ indicates part-time Government nominated Directors who hold office in the Government.
- iv. Directors/KMPs do not have any pecuniary relationships or transactions with the Company;
- v. 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.
- vi. The Directorships and memberships/chairmanships are based on the latest disclosures received from respective Directors.



During the financial year 2015-16, the part-time (non-official) Independent Directors Shri Sanjay Arora (DIN: 05337421), Shri Alok Shivapuri (DIN: 02238848) and Dr. Subhash Datta (DIN: 05352761) completed their three (3) years tenure on July 19, 2015.

In the absence of adequate number of Independent Directors on the Board of the Company, the composition of the Board of Directors is not in conformity with the provisions of Companies Act, 2013 and Clause 3.1.4 of Guidelines on Corporate Governance for CPSEs, 2010 issued by DPE. However, the compliance of these clauses would be done, once Independent Directors on the Board are appointed. The Company has also represented to Ministry of Railways to fill up the vacancies arisen due to completion of tenure of all Independent Directors on the Board of the Company.

### **2.3 Disclosures by Directors**

As per the disclosures made by Directors under section 184 of Companies Act, 2013, they do not have any inter-se relationship amongst themselves. The Government Nominee Directors are officials of Ministry of Railways and thus related to the promoter. Since, the entire paid-up share capital of IRCTC is being held by the Central Government (Ministry of Railways), section 152 (6) of the Companies Act, 2013, which require not less than 2/3<sup>rd</sup> of the Directors as persons whose office is liable to determination by retirement of directors by rotation at a general meeting is exempted to the Company vide Notification no. GSR. 463(E) dated 05.06.2015 of Ministry of Corporate Affairs (MCA).

### **2.4 Brief resume of Directors appointed during/after the closure of financial year:**

#### **a. Shri Ranjan Prakash Thakur, Part-time (official) Director-DIN 07309901 from 08.10.2015 till 15.06.2016**

Shri Ranjan Prakash Thakur, ED (Tourism & Catering) was inducted as Part-time (official) Director on the Board of IRCTC w.e.f. 8<sup>th</sup> October, 2015. He holds a degree in M.B.A from Indian Institute of Management, Indore. He has worked as Additional Director General, Doordarshan and has also held various prestigious posts including Executive Director (Statistics & Economics) for performance evaluation of freight and passenger operations of Indian Railways including compilation of all critical data related to Indian Railways. He has also worked with Ministry of Information and Broadcasting and Ministry of Tourism and Culture in prestigious capacities. In Indian Railways, he has held various significant posts, including, OSD to Member (Traffic), Ministry of Railways; Director, Passenger Marketing, Ministry of Railways for looking after the introduction of Tatkal Scheme, e-ticketing and many other activities and Divisional Traffic Manager, Shatabdi and Rajdhani.

Shri Ranjan P. Thakur ceased to be a Director on the Board of the Company as communicated by Ministry of Railways vide Order no. 2004/ PL/49/1 dated 15.06.2016.

#### **b. Shri V. Sriram, Director (Catering Services)- DIN 07445220 from 11.03.2016**

Shri V. Sriram assumed charge of Director (Catering Services) on 11<sup>th</sup> March, 2016. He is a former member of the Indian Railway Traffic Service. He has served for over two decades in Indian Railways, where, he has discharged various managerial responsibilities involving rail operations, safety, passenger business and general management. He was also a member of the roll out team of IR's passenger reservation system (PRS) in 1989 on Southern Railway and was instrumental in designing Indian Railways new look and user friendly time table (Trains at a Glance 2000) which evoked unparalleled positive customer response thereby setting the foundation for subsequent upgrades since then.

Shri V. Sriram was also a part of the startup team of IRCTC when it commenced business in 2001, as Group General Manager, South Zone. He has contributed immensely in the induction of reputed Food & Beverages players into IRCTC's Food Plaza business at stations in Kerala/Karnataka/Tamil Nadu, in addition to the design and implementation of yesteryears' flagship tourism products like Bharat Darshan and IRCTC's inbound tourism venture involving Sri Lankan foreign tourists to Buddhist destinations in India. He has also played a significant role towards design and implementation of a company-wide Personal Management System (PMS) for employees in 2011 as per the 2<sup>nd</sup> Pay Revision Committee (PRC) recommendations. He has attended various trainings, both in domestic and overseas institutions on varied subjects during his stint with IR and IRCTC.

#### **c. Smt. Sunira Bassi, Part-time (official) Director – DIN 07554378 from 27.06.2016**

Smt. Sunira Bassi, Adviser (Tourism & Catering) was inducted as Part-time (official) Director on the Board of IRCTC w.e.f. 27<sup>th</sup> June, 2016. Smt Sunira Bassi is an IRTS officer belonging to 1981 exam





batch of IRTS. She is presently posted as Adviser (Tourism and Catering) in the Ministry of Railways, Railway Board. She has completed M Phil (Physics) from Delhi University. Smt Bassi has more than 20 years experience in the IT sector in Railways. She has held charge of the post of Manager Systems on Northern Railway. She has also worked as Dy. Com. (Coaching) on Northern Railway. In this stint, her major contribution was in the development of Coaching Stock Monitoring System on NR. She has also worked as Joint Director (Computer Services) in the Railway Board. During her tenure as GM (CRIS)FOIS, at the Centre for Railway Information Systems, Pilot project for e-payment of freight charges of coal rakes booked for BTTP thermal power house was launched.

Smt. Bassi was selected as a member of the Long Range Decision Support System (LRDSS) team for development of LRDSS system in association with the World Bank. The system used simulation modeling (both micro modeling and network modeling) for assignment future 0-D wise traffic forecasts on IR network after incorporating the sanctioned infrastructure development projects (like new lines, doubling, changes in signaling, electrification etc.) to arrive at bottlenecks and constraints in the system. As ED/LRDSS, future 0-D wise traffic forecasts were developed for various years till 2020-21 and assigned on the envisaged IR network for that year ( both with & without DFC) for studying what if scenarios.

She has also worked briefly as Chief Project Manager- FOIS and Chief · Traffic Planning Manager on Northern Railway. Prior to joining the Ministry of Railways as Adviser (T&C), she was posted as Chief Administrative Officer - PTS and was the nodal officer for Computerisation of Parcel Traffic on IR, involving - coordination with CRIS, Zonal Railways and Railway Board.

### 2.5 Age limit and tenure of Directors:

The age limit of the functional Directors, including Chairman & Managing Director is 60 years, who 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, cease to be Director from the Board of the Company at the discretion of nominating authority or on ceasing to be officials of the Ministry of Railways.

Independent Directors are appointed by the Ministry of Railways, Government of India usually for a tenure of three (3) years.

### 2.6 Details of Board of Directors and their memberships/chairmanships in Committees as on 31<sup>st</sup> March, 2016:

S. No.	Name of Directors	Date of Appointment	Directorships held in other companies/ Body Corporate as on 31 <sup>st</sup> March, 2016*	No. of other Committee memberships held as on 31 <sup>st</sup> March, 2016**	
				Chairman	Member
WHOLE-TIME DIRECTORS					
1.	<b>Dr. Arun Kumar Manocha (DIN 06976502)</b> Chairman & Managing Director	19.09.2014	NIL	NIL	NIL
2.	<b>Shri Mahendra Pratap Mall (DIN 02316235)</b> Director (Finance)	21.01.2013	NIL	NIL	NIL
3.	<b>Smt Amritbir Kaur Brar (DIN 06780608)</b> Director (Tourism & Marketing)	01.01.2014	NIL	NIL	NIL
4.	<b>Shri Sriram Venkatachalam (DIN 07445220)</b> Director (Catering Services)	11.03.2016	NIL	NIL	1 (Audit Committee)



S. No.	Name of Directors	Date of Appointment	Directorships held in other companies/ Body Corporate as on 31 <sup>st</sup> March, 2016*	No. of other Committee memberships held as on 31 <sup>st</sup> March, 2016**	
				Chairman	Member
PART-TIME (OFFICIAL) DIRECTORS – GOVERNMENT NOMINEES					
5.	<b>Shri Prashanth Kumar Balsavar (DIN 07189241)</b> Executive Director (PM), Railway Board	20.05.2015	NIL	1 (Audit Committee)	NIL
6.	<b>Shri Ranjan Prakash Thakur (DIN 07309901)</b> Executive Director (T&C), Railway Board	08.10.2015	NIL	NIL	1 (Audit Committee)

\*Does not include Directorship in Private Companies, Section 8 Companies and Foreign Companies.

\*\* For the purpose of reckoning the limit, Chairmanship/Membership of Audit Committee and Shareholders' Grievance Committee alone has been taken into consideration.

### 2.7 Details of Directors who ceased to be on the Board during/after the closure of the financial year 2015-16:

S. No.	Name of Director	Whole time/Part-time (official) Director/ Part-time (non-official Director)	Date of Cessation
1.	Shri Ranjan Prakash Thakur (DIN : 07309901)	Part-time (official) Director	15.06.2016
2.	Shri Rabindra Nath Kalita (DIN: 00843481)	Whole-time Director	29.02.2016
3.	Smt. Mani Anand (DIN: 03085030)	Part -time (official) Director	18.08.2015
4.	Shri Sanjay Arora (DIN: 05337421)	Part-time (non-official) Director	19.07.2015
5.	Shri Alok Shivapuri (DIN: 02238848)	Part-time (non-official) Director	19.07.2015
6.	Dr. Subhash Datta (DIN: 05352761)	Part-time (non-official) Director	19.07.2015

### 3. PROCEDURE ADOPTED FOR BOARD MEETINGS/ COMMITTEE MEETINGS

The meetings of the Board of Directors are generally held at the Company's Registered Office in New Delhi. In accordance with the provisions of section 173 of Companies Act, 2013, rules thereof and Secretarial Standards issued by ICSI, detailed agenda notes, along with other explanatory statements, are circulated generally atleast 7 days before the day of meeting among the members for focused discussion and effective decision-making during the meeting.

However, in case of urgent issues, meetings are sometimes called at shorter notice also with the consent of all Directors/ Members. Further, to address any exigency/ urgency, resolutions are passed by circulation also, which are noted at a subsequent meeting of the Board or Committee thereof. In special and exceptional circumstances or whenever it is not possible or wherever it is not practicable to attach document(s) to the agenda item, being confidential in nature, the same are tabled with the permission of Chairperson and all Directors present during the meeting. Minutes of the proceedings of each Board meeting and Committee are circulated amongst all members of the Board/Committee for their suggestions and comments, which are finally approved by the Chairman of the Board/Committee.

For follow up mechanism, an Action Taken Report on the decisions of the Board/Committee is placed in subsequent meetings of respective Board/Committee, which helps in effective review of decisions taken.

**3.1 Information placed before the Board of Directors:**

The Board has complete access to all information pertaining to the Company. The Board/Committee members are also free to recommend any issue which they may consider important for inclusion in the agenda. As and when necessary, senior management officials are also called during the meeting to provide additional inputs on the matters being discussed by the Board/Committee. The information usually provided to the Board for its consideration includes the following:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Results for the company and its operating divisions or business segments.
4. Minutes of meetings of Audit Committee and other committees of the Board.
5. The information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Major investments, formation of joint venture/subsidiaries.
7. Review of compliance of all the applicable laws to the Company on quarterly basis.
8. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
9. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
10. Any other information as required under the Companies Act, 2013 or prevalent rules or guidelines as issued by the DPE from time to time.

**4. NUMBER OF BOARD MEETINGS**

During the financial year 2015-16, 8 (Eight) meetings of the Board of Directors were held. The maximum time interval between two Board meetings was less than three months, as per the DPE's Guidelines on Corporate Governance. The details of Board Meetings held during 2015-16 are given below:

S. No.	Board Meeting Number	Date of Meeting
1.	72 <sup>nd</sup>	12 <sup>th</sup> May, 2015
2.	73 <sup>rd</sup>	1 <sup>st</sup> June, 2015
3.	74 <sup>th</sup>	15 <sup>th</sup> July, 2015
4.	75 <sup>th</sup>	29 <sup>th</sup> July, 2015
5.	76 <sup>th</sup>	12 <sup>th</sup> October, 2015
6.	77 <sup>th</sup>	15 <sup>th</sup> December, 2015
7.	78 <sup>th</sup>	26 <sup>th</sup> February, 2016
8.	79 <sup>th</sup>	29 <sup>th</sup> March, 2016



### 5. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS HELD DURING 2015-16 AND THE LAST AGM

S. No.	Name of Director	Attendance at the Board Meetings during the financial year 2015-16 held on								Attendance at the last AGM held on 18 <sup>th</sup> Sept. 2015
		12 <sup>th</sup> May, 2015	1 <sup>st</sup> June, 2015	15 <sup>th</sup> July, 2015	29 <sup>th</sup> July, 2015	12 <sup>th</sup> Oct., 2015	15 <sup>th</sup> Dec., 2015	26 <sup>th</sup> Feb., 2016	29 <sup>th</sup> March, 2016	
WHOLE - TIME DIRECTORS										
1.	Dr. Arun Kumar Manocha (DIN 06976502) Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Shri Mahendra Pratap Mall (DIN 02316235) Director (Finance)	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Shri Rabindra Nath Kalita (DIN 00843481) Director (Catering Services) {Till 29.02.2016}	✓	✓	✓	✓	✓	✓	✓	NA	✓
4.	Smt. Amritbir Kaur Brar (DIN 06780608) Director (Tourism & Marketing)	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Shri Sriram Venkatachalam (DIN 07445220) Director (Catering Services) {Appointed w.e.f 11.03.2016}	NA	NA	NA	NA	NA	NA	NA	✓	NA
PART-TIME (OFFICIAL) DIRECTORS - GOVERNMENT NOMINEES										
6.	Smt. Mani Anand Executive Director (T&C), Railway Board {Till 18.08.2015}	*	*	✓	*	NA	NA	NA	NA	NA
7.	Shri Prashanth Kumar Balsavar (DIN 07189241) Executive Director (PM), Railway Board {Appointed w.e.f 20.05.2015}	NA	✓	✓	✓	✓	✓	✓	✓	No
8.	Shri Ranjan Prakash Thakur (DIN 07309901) Executive Director (T&C), Railway Board (Appointed w.e.f 08.10.2015)	NA	NA	NA	NA	✓	✓	✓	✓	NA
PART-TIME (NON-OFFICIAL) INDEPENDENT DIRECTORS										
9.	Shri Sanjay Arora DIN: 05337421 {Till 19.07.2015}}	✓	✓	✓	NA	NA	NA	NA	NA	✓ <sup>#</sup>
10.	Shri Alok Shivapuri DIN 02238848 {Till 19.07.2015}	✓	✓	*	NA	NA	NA	NA	NA	NA
11.	Dr. Subhash Datta DIN: 05352761 {Till 19.07.2015}	✓	✓	✓	NA	NA	NA	NA	NA	NA

✓ - Meeting attended, NA - Not Applicable (not in position), \* - Leave of Absence, # - Attended AGM as Special Invitee





## 6. COMMITTEES OF BOARD

To enable better and more focused attention on the affairs of the company, the Board has delegated certain matters to Committees of the Board set up for the purpose. The details of sub-committees of Board are mentioned below:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. CSR and SD Committee;
4. Risk Management Committee;
5. Investment Committee;
6. Executive Board Committee;
7. Administrative Committee;

During the year, the sub - committees of Board of Directors as mentioned above have been reconstituted from time to time due to changes in the composition of the Board of Directors because of completion of tenure of Independent Directors, cessation and appointment of functional Directors and part-time (official) Directors on the Board of the Company, as the case may be.

### 6.1 Audit Committee

#### a. *Terms of reference:*

The Terms of Reference of the Audit Committee, **in brief**, are mentioned below:

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 the requirements of Companies Act and DPE guidelines.
5. Reviewing, with the management, the financial statements before submission to the Board for approval.
6. Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
7. 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.
8. To review functioning of the Whistle Blower/vigil mechanism.
9. To review the follow-up action on audit observations of the Comptroller & Auditor General of India (C&AG) audit and on recommendations of the Parliament's Committee on Public Undertakings (COPU).
10. Approval or any subsequent modification of transactions of the company with related parties.
11. 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.
12. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
13. Scrutiny of inter-corporate loans and investments.
14. Valuation of undertakings or assets of the company, wherever it is necessary.
15. Evaluation of internal financial controls and risk management systems.
16. Any other function(s) as may be issued through Companies Act, 2013 and rules made there under and DPE Guidelines on Corporate Governance.



### b. Composition, Meetings and Attendance:

As on 31<sup>st</sup> March, 2016, the Audit Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Shri Prashanth Kumar Balsavar</b> Government Nominee Director	Chairman
2.	<b>Shri Ranjan Prakash Thakur</b> Government Nominee Director	Member
3.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member

Director (Finance) is the permanent invitee to the meetings of Audit Committee.

The meetings are also attended by GGM (Finance), Head of Internal Audit, representative of Statutory Auditors/Cost Auditors as special invitees, as and when required. 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.

All the recommendations made by the Audit Committee during the year were accepted by the Board.

The Audit Committee met 4 (four) times during the financial year 2015-16 on 15<sup>th</sup> June, 2015, 14<sup>th</sup> July, 2015, 9<sup>th</sup> November, 2015 and 7<sup>th</sup> March, 2016. As per Companies Act and DPE's Guidelines on Corporate Governance, not more than four months/ 120 days, as the case may be, was elapsed between two consecutive meetings during the year.

The details of the meetings of Audit Committee held during the financial year 2015-16 and attendance by the members are as under:

S. No.	Members	Position	Number of Meetings	
			Held during the tenure of Director	Attended
1.	<b>Shri Sanjay Arora</b> Independent Director	Chairman (upto 19.07.2015)	2	2
2.	<b>Shri Alok Shivapuri</b> Independent Director	Member (upto 19.07.2015)	2	2
3.	<b>Dr. Subhash Datta</b> Independent Director	Member (upto 19.07.2015)	2	1
4.	<b>Shri Rabindra Nath Kalita</b> Director (Catering Services)	Member (upto 29.02.2016)	3	3
5.	<b>Shri Prashanth Kumar Balsavar</b> Government Nominee Director	Chairman (from 12.10.2015)	2	2
6.	<b>Shri Ranjan Prakash Thakur</b> Government Nominee Director	Member (from 12.10.2015)	2	2
7.	<b>Smt. Amritbir Kaur Brar</b> Director (Tourism & Marketing)	Member (from 02.03.2016 till 15.03.2016)	1	1
8.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member (from 16.03.2016)	NIL	NA

## 6.2 Nomination and Remuneration Committee

### a. Terms of reference:

The Terms of Reference of the Nomination and Remuneration Committee, in brief, are mentioned below:

To continue with the existing scope of deciding the annual bonus/variable pay pool and policy for its distribution across executives and non-unionized supervisors within the limits prescribed in the DPE OM dated 26<sup>th</sup> November, 2008, and as per the applicable recommendations of the Second Pay Revision Committee.



To formulate and recommend HR policies relating to the perks/ allowances for senior management (one level below Board level) and other employees to Board of Directors.

Any other work as may be included by Companies act or DPE guidelines from time to time.

### b. **Composition, Meeting & Attendance:**

As on 31<sup>st</sup> March, 2016, the Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Shri Prashanth Kumar Balsavar</b> Government Nominee Director	Chairman
2.	<b>Shri Ranjan Prakash Thakur</b> Government Nominee Director	Member
3.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member

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

Director (Finance) and GGM (HRD) are the permanent invitees to the meeting of the Nomination and Remuneration Committee.

The Nomination & Remuneration Committee met 2 (two) times during the financial year 2015-16 on 11<sup>th</sup> May, 2015 and 29<sup>th</sup> March, 2016.

The details of the meetings of the committee held during the financial year 2015-16 and attendance by the members are as under:

S. No.	Members	Position	Number of Meetings	
			Held during the tenure of Director	Attended
1.	<b>Dr. Subhash Datta</b> Independent Director	Chairman (upto 19.07.2015)	1	1
2.	<b>Shri Alok Shivapuri</b> Independent Director	Member (upto 19.07.2015)	1	1
3.	<b>Shri Sanjay Arora</b> Independent Director	Member (upto 19.07.2015)	1	1
4.	<b>Smt. Mani Anand</b> Government Nominee Director	Member (upto 18.08.2015)	1	NIL
5.	<b>Shri Prashanth Kumar Balsavar</b> Government Nominee Director	Chairman (from 12.10.2015)	1	1
6.	<b>Shri Ranjan Prakash Thakur</b> Government Nominee Director	Member (from 12.10.2015)	1	1
7.	<b>Shri Rabindra Nath Kalita</b> Director (Catering Services)	Member (from 12.10.2015) till 29.02.2016)	NIL	NA
8.	<b>Shri. Sriram Venkatachalam</b> Director (Catering Services)	Member (from 29.03.2016)	1	1

### **Remuneration to Directors and Key Managerial Personnel of the Company:**

IRCTC, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Functional Directors including Chairman & Managing Director are decided by the President of India as per the Articles of Association of the Company.



The details of remuneration paid to whole-time Directors and Company Secretary of the Company during the financial year 2015-16 are given below:

S.No	Name of Directors	Salary	Perks	Other Benefits	Performance Award	Contribution to PF	Stock options*	Total
1.	<b>Dr. Arun Kumar Manocha</b> (DIN 06976502) Chairman & Managing Director	26,82,553	18,24,180	5,45,132	26,575	2,59,011	-	<b>53,37,451</b>
2.	<b>Shri Mahendra Pratap Mall</b> (DIN 02316235) Director (Finance)	22,93,800	13,92,944	6,80,297	9,91,483	2,17,410	-	<b>55,75,934</b>
3.	<b>Shri Rabindra Nath Kalita</b> (DIN 00843481) Director (Catering Services) (Till 29.02.2016)	22,04,699	13,27,136	2,16,589	7,77,978	2,07,672	-	<b>47,34,074</b>
4.	<b>Smt. Amritbir Kaur Brar</b> (DIN 06780608) Director (Tourism & Marketing)	22,93,935	5,22,485	3,83,375	2,69,723	2,17,503	-	<b>36,87,021</b>
5.	<b>Shri Sriram Venkatachalam</b> (DIN 07445220) Director (Catering Services) (w.e.f 11.03.2016)	1,33,419	-	6,774	-	18,878	-	<b>1,59,071</b>
6.	<b>Mrs. Suman Kalra</b> (PAN: AIVPG6083A) Company Secretary	11,18,728	3,14,421	-	71,359	1,08,018	-	<b>16,12,526</b>
	<b>Total</b>	<b>1,07,27,134</b>	<b>53,81,166</b>	<b>18,32,167</b>	<b>21,37,118</b>	<b>10,28,492</b>	<b>-</b>	<b>2,11,06,077</b>

*\*No stock option has been made available or offered by the Company during the year 2015-16 as the entire paid-up share capital is held by the Govt. of India.*

### Remuneration to Government Nominee Directors:

The Government Nominee Directors are not entitled to any remuneration/ sitting fee from the company.

### Remuneration of Independent Directors:

The part time (non-official) Independent Directors are not paid any remuneration except sitting fees of ₹ 15,000/- for attending each meeting of the Board or Committee thereof as fixed by Board which is within the limits prescribed under the Companies Act, 2013 and rules thereunder. The details of sitting fee paid to Independent directors during the year 2015-16 are given below:

S. No.	Name of Independent Director	Sitting fee		Total
		Board Meetings	Committee Meetings	
1	Sh. Sanjay Arora	45,000	45,000	90,000
2	Dr. Subhash Datta	45,000	45,000	90,000
3	Sh. Alok Shivapuri	30,000	60,000	90,000

## 6.3 CSR and SD Committee

### a. Terms of Reference:

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder and Guidelines on Corporate Social Responsibility and Sustainability for CPSEs, issued by DPE, the Terms of Reference of the CSR & SD Committee, in brief, are as under:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to monitor the Corporate Social Responsibility Policy of the Company from time to time;





- c. to recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- d. to recommend/review CSR projects / programmes / proposals, falling within the purview of Schedule VII of the Companies Act, 2013;
- e. to assist the Board of Directors to formulate strategies on CSR initiatives of the Company;

**b. Composition, Meeting & Attendance:**

As on 31<sup>st</sup> March, 2016, the Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Dr. Arun Kumar Manocha</b> Chairman & Managing Director	Chairman
2.	<b>Shri Mahendra Pratap Mall</b> Director (Finance)	Member
3.	<b>Smt. Amritbir Kaur Brar</b> Director (Tourism & Marketing)	Member
4.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member
5.	<b>Shri Ranjan Prakash Thakur</b> Government Nominee Director	Member

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

GGM (Services), being the nodal officer of the CSR & SD Committee till 14.06.2016 was permanent invitee to the meetings. However, w.e.f 15.06.2016 GGM (Infra) has been nominated as new nodal officer of the CSR & SD committee and is therefore now permanent invitee to the meetings of the Committee.

The Committee met 4 (four) times during the year 2015-16 on 11<sup>th</sup> May, 2015, 15<sup>th</sup> December, 2015, 26<sup>th</sup> February, 2016 and 29<sup>th</sup> March, 2016. The details of the meetings of the Committee held and attendance by the members are as under:

S. No.	Members	Position	Number of Meetings	
			Held during the tenure of Director	Attended
1.	<b>Dr. Arun Kumar Manocha</b> Chairman & Managing Director	Chairman	4	4
2.	<b>Shri Mahendra Pratap Mall</b> Director (Finance)	Member	4	4
3.	<b>Shri Rabindra Nath Kalita</b> Director (Catering Services)	Member (upto 29.02.2016)	3	2
4.	<b>Smt. Amritbir Kaur Brar</b> Director (Tourism & Marketing)	Member	4	4
5.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member (from 29.03.2016)	1	1
6.	<b>Smt. Mani Anand</b> Government Nominee Director	Member (upto 18.08.2015)	1	NIL
7.	<b>Shri Alok Shivapuri</b> Independent Director	Member (upto 19.07.2015)	1	1
8.	<b>Dr. Subhash Datta</b> Independent Director	Member (upto 19.07.2015)	1	1
9.	<b>Shri Ranjan Prakash Thakur</b> Government Nominee Director	Member (from 12.10.2015)	3	3



### 6.4 Shareholding Pattern/Stakeholders Relationship Committee/Shareholders' Grievance Committee:

IRCTC is not listed on any Stock Exchange in India or abroad. Since the Company does not have more than one thousand Shareholders and also the entire equity share capital of the company is held by the President of India through Ministry of Railways and its nominees, the Company has not constituted a Stakeholders Relationship Committee/Shareholders Grievance Committee as required to be constituted under Section 178(5) of the Companies Act, 2013.

### 6.5 Risk Management Committee:

#### a. Terms of Reference:

The Risk Management Committee of IRCTC has been constituted with a view to establish a framework for the company's risk management process and to provide assistance to the Board in Corporate Governance by overseeing the responsibilities relating to the identification, evaluation and mitigation of operational, strategic and external environment risks. Other functions as required under Companies Act, 2013 and Corporate Governance Guidelines issued by DPE are also carried out accordingly.

#### b. Composition, Meeting & Attendance:

As on 31<sup>st</sup> March, 2016, the Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Shri Mahendra Pratap Mall</b> Director (Finance)	Chairman
2.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member
3.	<b>Shri Prashanth Kumar Balsavar</b> Government Nominee Director	Member

No meeting of the Risk Management Committee was held during the financial year 2015-16.

### Other Functional Committees:

#### 6.6 Investment Committee

In accordance with DPE guidelines, the Investment Committee of IRCTC has been constituted to take investment decisions for short-term deployment of surplus funds as per financial delegation(s) of power for this purpose. The decisions taken by the Committee are put up to the Board of Directors for information.

The Committee consists of Chairman & Managing Director, Director (Finance) and Director (Catering Services). The meetings of the committee are held as and when required, and are attended by all the members.

#### 6.7 Executive Board Committee

The Committee of Executive Board has been constituted to prepare and draft the policy(ies) of recruitment, absorption and channels of promotion in IRCTC for employees of E-6 and below and other issues including new ventures, growth of business segments, operational performance of the Company for the purpose of internal analysis etc.

The Committee consists of Chairman & Managing Director, Director (Finance), Director (Tourism & Marketing) and Director (Catering Services).

The Executive Board met 6 (six) times during the financial year 2015-16 on 19<sup>th</sup> May, 2015, 4<sup>th</sup> June, 2015, 24<sup>th</sup> June, 2015, 12<sup>th</sup> October, 2015, 17<sup>th</sup> November, 2015 and 17<sup>th</sup> February, 2016. The meetings were attended by all the members of the Committee.

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.

#### 6.8 Administrative Committee

Administrative Committee has been constituted to deal with the matters relating to approvals for opening and closing of Bank Accounts both current or FDR and approaching the financial institutions for seeking working capital facilities for the Rail Neer Project and matters including authorizing the officials for registration with Excise, Income tax and other applicable authorities and signing and executing documents on behalf of the company.



The Committee comprise of Chairman & Managing Director, Director (Finance), Director (Tourism & Marketing) and Director (Catering Services).

During the financial year 2015-16, one meeting of Administrative Committee was held on 22<sup>nd</sup> January, 2016 and all members of the Committee attended the meeting.

### 6.9 Share Transfer Committee

The Board of Directors authorized Company Secretary as one member committee for and on behalf of the Board in its 72<sup>nd</sup> Meeting held on 12<sup>th</sup> May, 2015 to execute the transfer of shares as and when the request(s) for the same is received from Ministry of Railways. The same is placed before the Board for information. On the basis of the advice received from Ministry of Railways, share transfers were executed twice during the year 2015-16 i.e. on 29<sup>th</sup> February, 2016 and 31<sup>st</sup> March, 2016.

### 7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to the requirements of Schedule IV of Companies Act, 2013 and in accordance with Department of Public Enterprises (DPE)'s Office Memorandum No. F. No. 16 (4)/2012-GM dated 20<sup>th</sup> June 2013, during the year 2015-16, one separate meeting of Independent Directors without the presence of Functional Directors, Government Nominee Directors and Management Personnel of IRCTC was held on 15<sup>th</sup> July, 2015, wherein independent Directors discussed various issues related to investment plans/ proposals which need to be studied in depth and the co-ordination between the Railway Board and IRCTC. The meeting was attended by all Independent Directors of the company.

The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 for the financial year 2015-16 and the same was placed in the first meeting of the Board of Directors for the financial year 2015-16 which was duly noted and recorded.

### 8. GENERAL BODY MEETINGS

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

AGM	Financial Year	Date	Day	Time	Location	Special Resolution Passed
14 <sup>th</sup>	2012-13	27.09.2013	Friday	1530 Hrs.	Room No.237, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001	No
15 <sup>th</sup>	2013-14	11.09.2014	Thursday	1200 Hrs.	Room No.237, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001	No
16 <sup>th</sup>	2014-15	18.09.2015	Friday	1600 Hrs.	Room No.237, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001	No

### 9. DISCLOSURES

- The Company has complied with all the requirements of the Companies Act, 2013, Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance for CPSEs issued by DPE, *except relating to composition of Board and constitution of its committees.*
- The Company has not entered into any material, financial and commercial transactions, with the Directors or the Management or their relatives or the companies and the firms, etc. in which they are either directly or through their relatives interested as Directors and/or partners.
- No item of expenditure has been debited in books of accounts, which are not for the purposes of the business and no expenses, which are personal in nature, have been incurred for the Board of Directors and top Management.
- The company has systems in place for monitoring statutory and procedural compliances. The Board is reported the status of the same so as to ensure proper compliances of all laws applicable to the company.
- 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 except as specified in notes to accounts.



- (vi) 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.
- (vii) The Company periodically informs the Board about the risks associated with its projects in risky areas. Details pertaining to risk management have been given in Management Discussion and Analysis Report under the heading 'Risks and Concerns'.
- (viii) **Vigil mechanism:** Pursuant to Section 177 of the Companies Act, 2013, the Company affirms that a vigil mechanism is in place for all its employees and clients to report about any illegal or unethical behaviour, actual or suspected fraud to the CVO or the Chairman & Managing Director directly through IRCTC's Whistle Blower Policy. It also promotes ethical behaviour in all its business activities. The Company further affirms and no personnel has been denied access to the Audit Committee. The Whistleblower policy is available on the website of the Company – [www.irctc.com](http://www.irctc.com).
- (ix) Details of administrative and office expenses as a percentage of total expenses vis-à-vis financial expenses – The administrative expenses and office expenses were at 7.69% of total expenses in the year 2015-16.

### 10. 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, Risk Management Policy, Fraud Detection and Prevention Policy etc. are uploaded on IRCTC's official website i.e. [www.irctc.com](http://www.irctc.com) for the purpose of communication and can be downloaded from the website. 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 several steps to improve Corporate Communication.

### 11. 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 in the most appropriate ways in which they can discharge their roles and responsibilities. As a practice, on the joining of a new Director on the Board, formal induction and orientation with respect to the Company's vision, mission, strategic direction, core values, financial matters & business operations is given through necessary documents/brochures, reports and internal policies including Annual reports, Memorandum and Articles of Association, MOUs between IRCTC and Ministry of Railways which help them to familiarize with Company's procedures, practices and risk profile.

### 12. POLICY ON PERFORMANCE EVALUATION OF DIRECTORS

Since, IRCTC is a Government Company, the evaluation of its functional Directors takes place through the annual performance MOU entered with Ministry of Railways and submitted to Department of Public Enterprises by Ministry of Railways, Government of India. Hence, the company has not framed any policy on Performance Evaluation of Board of Directors. The same also has been exempted by MCA vide its notification dated June 05, 2015.

### 13. AUDIT QUALIFICATIONS

The Company has been putting all the efforts to ensure a regime of unqualified financial statements and it has been successful in attaining the unqualified report from the Statutory Auditor.

### 14. GENERAL INFORMATION FOR SHAREHOLDERS

#### a. Annual General Meeting of the Current Year

Date: 27<sup>th</sup> September 2016

Time: 1200 Hours

Venue: Conference Hall, 2<sup>nd</sup> Floor, Rail Bhawan, New Delhi-110001

#### b. Percentage of shareholding:

Category	No. of Shares held	% of shareholding
Central Government (Ministry of Railways) in the name of President of India and its nominees	2,00,00,000	100
<b>Total</b>	<b>2,00,00,000</b>	<b>100</b>





**c. Plant Locations/ Operating Units**

A list of Railneer plants and zonal offices in different States is available on the website of the Company.

**d. Address for correspondence with the Registered Office (Regarding Corporate Governance matters covered under this report)**

**Company Secretary, IRCTC,**

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

Telephone: 91-11-23327746, E-Mail: [companysecretary@irctc.com](mailto:companysecretary@irctc.com), Website: [www.irctc.com](http://www.irctc.com)

**15. CEO/CFO CERTIFICATION**

Chairman & Managing Director and Director (Finance) has certified the specified matters to the Board and Audit committee as required under the Guidelines issued by DPE on Corporate Governance. In terms of said guidelines, a certificate duly signed by Dr. A.K. Manocha, Chairman & Managing Director and Mr. M.P. Mall, Director (Finance) was placed before the Audit Committee in its 40<sup>th</sup> meeting held on 17.08.2016 and then Board of Directors in its 81<sup>st</sup> meeting held on same day. The duly signed certificate as presented to the Audit Committee and Board of Directors is placed as **Annexure – "B-1"**.

**16. DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2015-16**

I, A. K. Manocha, Chairman & Managing Director, Indian Railway Catering and Tourism Corporation Limited, 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 2015-16.

Sd/-

(Dr. A. K. Manocha)

Chairman & Managing Director

DIN:06976502

Place : New Delhi

Date: 17<sup>th</sup> August, 2016

**17. RATING ON CORPORATE GOVERNANCE BY DEPARTMENT OF PUBLIC ENTERPRISES**

Your Company has filed report on Corporate Governance in specified format(s) to Ministry of Railways and DPE within the stipulated time provided for the same as required under the Department of Public Enterprises (DPE) Guidelines on the Corporate Governance, 2010 for CPSEs.

Department of Public Enterprises has rated IRCTC as **"Excellent"** under the category of Corporate Governance during 2014-15. On the basis of self evaluation, the Company expects to achieve an **"Excellent"** rating for the year 2015-16 also.

**18. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

As required under the Guidelines on Corporate Governance issued by Department of Public Enterprises, certificate regarding compliance of conditions of Corporate Governance by the Company issued by M/s Balika Sharma and Associates, Practicing Company Secretaries is annexed to this Report as **Annexure – "B-2"**.

**19. SECRETARIAL AUDIT**

In terms of the provision of section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has re-appointed M/s Akhil Rohtagi & Company, an independent practicing firm of Company Secretaries to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 is annexed as **Annexure-"E"** to this Report.

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

Sd/-

(Dr. A. K. Manocha)

Chairman & Managing Director

DIN:06976502

Place : New Delhi

Date: 17<sup>th</sup> August, 2016



**CEO AND CFO CERTIFICATION**

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

- i. We have reviewed financial statements and the cash flow statement of Indian Railway Catering and Tourism Corporation Ltd for the year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. 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.
- ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- iii. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We have indicated to the auditors and the Audit Committee:
  - a. There have been no significant changes in internal control over financial reporting during the year 2015-16.
  - b. There have been no significant changes in accounting policies during the year 2015-16.
  - c. There have been no instances 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.

**Sd/-  
(M.P. Mall)  
Director (Finance)  
DIN: 02316235**

**Sd/-  
(Dr. A. K. Manocha)  
Chairman and Managing Director  
DIN:06976502**

**Place: New Delhi  
Dated: 17<sup>th</sup> August 2016**



**Annexure "B-2"**

**Balika Sharma & Associates  
(Company Secretaries)**

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

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members,**  
**Indian Railway Catering and Tourism Corporation Limited**  
11<sup>th</sup> Floor, B-148, Statesman House,  
Barakhamba Road, New Delhi-11001  
**CIN U74899DL1999GOI101707**

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, 2016 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. However, during the Financial Year 2015-16, in the absence of requisite number of Independent Directors on the Board of Company, the composition of all applicable Statutory Board level committees is not as per the requirement of the provisions of Companies Act, 2013 & Guidelines on Corporate Governance for CPSE, 2010 issued by DPE.

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 & Associates  
(Company Secretaries)**

**CP.No. 3222**

**M.No. 4816**

**ST No. : AMAPS 9564 KST 001**

**Place : New Delhi**  
**Date: 02<sup>nd</sup> August, 2016**



**Annexure – “C” to the Directors’ Report**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY**

**1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS**

**a. Brief outline of the Company's CSR policy:**

Your Company through its CSR & Sustainability initiatives endeavors to achieve the below-mentioned key Value behind CSR 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”.***

In IRCTC, CSR vision goes beyond charity and its legal obligations. The company take all steps to integrate social, environmental and ethical concerns into company's business process and the programmes that benefit the local communities in and around the area of operations to enhance the quality of life and economic well being of the general public with emphasis on the development of the weaker sections of the society.

IRCTC's commitment towards stakeholders is confirmed through its Corporate Mission, Vision and the policies being adopted by the organization. CSR & Sustainability activities are implemented to meet the broad objectives underlined in the policy i.e to ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, and to generate through its CSR initiatives, a community goodwill for IRCTC and help strengthen a positive and socially responsible image of IRCTC as a corporate entity etc.

While selecting CSR activities / projects from the activities listed in Schedule VII of the Act, the Company gives priority to the issues which are of foremost concern in the national development agenda like provision of toilets, health and sanitation, education, etc.

Your Company is open to joining hands with the other CPSEs in planning, implementing and monitoring of Mega-Projects for optimal use of resources, synergy of expertise and capabilities for maximizing socio-economic or environmental impact.

During the year 2015-16, your Company has undertaken numerous initiatives towards CSR & Sustainability activities in the field of public health, facilities for elderly and differently abled persons, education, rural infrastructure development, sanitation & cleanliness, community development and socio economic development. Some significant CSR & Sustainability activities undertaken by your Company during the year are:

**i. Primary medi-care facility in the backward districts in association with HelpAge India:**

IRCTC undertook a project in association with HelpAge India, a NGO, in 2013-14 to address the problems of unaffordability, inaccessibility and non-availability of basic essential healthcare to poor elderly population under Corporate Social Responsibility scheme. Accordingly, a Mobile Medical Unit was purchased by HelpAge India from IRCTC's CSR funds and was custom-fabricated as per the requirements of the project. The services have been continued in FY 2015-16 too, benefitting hundreds of local residents.







**ii. Upgradation of passenger amenities at identified Railway Stations:**

Under the Swachh Bharat Abhiyaan, two toilet blocks have been renovated at Varanasi railway station. This shall facilitate thousands of train passengers travelling at Varanasi station. In addition to this, renovation of one toilet block at CSTM railway station is also being done by the respective Railway authorities which is being sponsored by IRCTC under its CSR initiative.



**Toilet block at Varanasi railway station**

**iii. Construction of toilets at various locations on PAN India basis through CII Foundation:**

Under 'Sanitation', IRCTC has paid a sum of ₹ 2,74,16,250/- to CII Foundation for construction of 15 toilets at various locations on PAN India basis. The work is being carried out by CII Foundation from the funds given by IRCTC under CSR.



**Namma Toilets at Katra Railway station**

**iv. Supply of golf carts and wheel chairs to elderly persons, differently abled persons in and around the railway premises:**

In order to aid the movement of elderly persons, differently abled person, patients etc. on railway stations, IRCTC has provided 11 Golf carts at various railway stations at Patna, Rajendra Nagar, Muzaffarpur, Darbhanga, Dhanbad, Gaya, Ghazipur, Ayodhya, Agra under CSR. The Company has also provided wheel chairs at various railway stations such as Haridwar, Ghazipur, Amritsar, Bangalore, Patna, Rajendra Nagar, Muzaffarpur, Gaya, Ayodhya, Agra, and Vijayawada.



**v. Construction & Maintenance of toilet complex at Sawai Madhopur, Rajasthan through Sulabh Sanitation Mission Foundation:**

During FY 2015-16, IRCTC undertook the CSR activity for construction of a toilet complex at Sawai Madhopur, Rajasthan through Sulabh Sanitation Mission Foundation.

**vi. Development of model village – Mall Salya Kot:**

IRCTC in association with TERI had commenced this CSR activity in December 2013 with a timeline of completion of 18 months. The project was completed within the prescribed time lines in the month of April 2015.



**Web link to CSR Policy**

The CSR Policy of the Company is available on website at the link: [http://www.irctc.com/DownloadDocuments?workflow=getFile&doc\\_cat\\_id=5&doc\\_id=2251&get\\_file\\_name=IRCTC\\_CSR\\_n\\_SD\\_Policy.pdf](http://www.irctc.com/DownloadDocuments?workflow=getFile&doc_cat_id=5&doc_id=2251&get_file_name=IRCTC_CSR_n_SD_Policy.pdf)

**2. IRCTC'S CSR AND SUSTAINABLE DEVELOPMENT COMMITTEES**

The Company has two Tier organization structure to steer CSR and Sustainability agenda and to ensure implementation of activities and utilization of funds in a time bound manner as mentioned below:

**(i) Tier-I:** Board Level Committee headed by the Chairman and Managing Director / Independent Director and;

**(ii) Tier-II:** Below Board level Committee headed by the Nodal Officer

**Tier-I: Board Level CSR and Sustainable Development Committee (BLC)**

**Composition as on 31<sup>st</sup> March, 2016:**

❖ Dr. A. K. Manocha, Chairman & Managing Director	:	Chairperson
❖ Mr. M. P. Mall, Director (Finance)	:	Member
❖ Ms. A. K. Brar, Director (Tourism & Marketing)	:	Member
❖ Mr. V. Sriram, Director (Catering Services)	:	Member
❖ Mr. Ranjan P. Thakur, Government Director	:	Member

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

**Composition:**

The composition of Tier-II – Below Board level Committee may comprise of three members (including the Nodal officer as Chairperson), second member to be inducted from representative(s) of departments depending upon the nature of project being undertaken and will include a member from Finance being third member.

**3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS**

The details of net profit for last 3 financial years for the purpose of computation of CSR Budget as per Section 198 of Companies Act, 2013 are as under:-

S.No.	Financial Year	Net Profit (₹ in Crores)	Average Net Profit (₹ in Crores)
1	2012-13	92.54	145.34
2	2013-14	127.24	
3	2014-15	216.23	



#### 4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS AT S. NO. 3 ABOVE)

IRCTC has made a budget of ₹ 2.91 Crore for the year 2015-16 i.e. 2% of ₹ 145.34 crore, Average Net Profit during preceding three FYs.

#### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2015-16

(a) Total amount to be spent for the financial year: ₹ 3.92 cr (₹ 2.91 cr for 2015-16 and ₹ 1.01 cr for 2014-15)

(b) Amount unspent, if any; Nil

(c) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified	Sector in which the projects is covered	Projects or programs	*Amount outlay (budget) project or programs wise	Amount spent on the projects or programs during 2015-16		Total expenditure for the year 2015-16 (₹ in lakhs)	Cumulative expenditure up to 31.03.2016 (₹ in lakhs)	Amount spent: Direct or through implementing agency
			(1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Total (₹ in lakhs)	(1) Direct expenditure on projects or programs (₹ in lakhs)	(2) Overheads (₹ in lakhs)			
1.	Construction of toilet complex at Sawai Madhopur, Rajasthan	Sanitation	1. Other 2. Sawai Madhopur Rajasthan	14.16	8.33	1.58	9.91	9.91	Through implementing agency: M/s Sulabh Sanitation Mission Foundation, New Delhi
2.	Provision of 01 Mobile Medi-care Unit at Kushinagar U.P	Community development	1. Other 2. Kushi Nagar, UP	28.96	27.08	1.88	28.96	28.96	Through HelpAge India
3.	Providing Golf Carts	Community development	1. Other 2. Several locations (Patna, Rajendra Nagar, Muzaffarpur, Darbhanga, Dhanbad, Gaya, Ghazipur, Ayodhya, Agra)	78.45	41.10	-	41.10	78.45	Direct: Through tender
4.	Development of Model village at Malla Salya Kot, Uttarakhand	Community development & Promotion of alternate energy	1. Other 2. Malla Salya Kot, Dist. Nainital, Uttarakhand	53.52	10.70	-	10.70	53.52	Through TERI (The Energy Resources Institute)
5.	Provision of RO water dispensing machines	Drinking water	1. Other 1. Several locations (Amritsar, Manduadih, Patna, Rajendra Nagar, Mughal Sarai, Gaya, Darbhanga, Katihar, Bhagalpur, Vijayawada & Hyderabad)	17.93	11.48	-	11.48	17.93	Through Tender (M./s. Eureka Forbes)
6.	Maintenance of toilet complexes	Sanitation	1. Other 2. Anand Nagar & Sanauli (Uttar Pradesh)	5.37	1.05	-	1.05	5.37	Through implementing agency: M/s Sulabh Sanitation Mission Foundation
7.	Providing Dustbins at New Delhi Railway station – Under SWACHH BHARAT CAMPAIGN	Sanitation	1. Local 2. New Delhi	1.62	1.62	-	1.62	1.62	Direct: Through quotation



S. No.	CSR project or activity identified	Sector in which the projects is covered	Projects or programs	*Amount outlay (budget) project or programs wise	Amount spent on the projects or programs during 2015-16		Total expenditure for the year 2015-16 (₹ in lakhs)	Cumulative expenditure up to 31.03.2016 (₹ in lakhs)	Amount spent: Direct or through implementing agency
			(1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Total (₹ in lakhs)	(1) Direct expenditure on projects or programs (₹ in lakhs)	(2) Overheads (₹ in lakhs)			
8.	Auto-taxi drivers training	Skill Development	1. Other 2. Varanasi (UP), Secunderabad, Tirupathy & Vijayawada (AP), Chennai, Madurai, Pondicherry, Ernakulam, Bangalore	5.88	1.78	-	1.78	1.78	Direct: Through In-house resources & through UPICO
9.	Upgradation of passenger amenities at select railway stations	Sanitation	1. Other 2. Varanasi (UP); Ghazipur (UP); Varanasi City (UP); CSTM (Maharashtra)	33.00	10.00	-	10.00	10.00	Through Zonal Railways
10	Construction of Toilets in and around railway premises	Sanitation	1. Other 2. Mumbai Central, Varanasi, Vijayawada, Gorakhpur, Lucknow, Amritsar, New Delhi, Manduadih, Secunderabad	274.02	274.02	-	274.02	274.02	Through CII Foundation
11	Operation of golf cart for free service to passengers at railway stations		1. Other 2. Patna, Rajendra Nagar, Muzaffarpur, Darbhanga, Dhanbad, Gaya, Ghazipur, Ayodhya, Agra	0.87	0.87	-	0.87	0.87	Through empanelled outsource agency
12	Provision of wheel chairs	Community development	1. Other 2. Haridwar, Ghazipur, Amritsar, Bangalore, Patna, Rajendra Nagar, Muzaffarpur, Gaya, Ayodhya, Agra, & Vijayawada	9.06	4.74	-	4.74	4.74	Direct
13	500 nos of Sapling Plantation at RNP/Palur	Environment	1. Other 2. Palur, Tamil Nadu	2.28	2.28	-	2.28	2.28	Direct
		<b>Total</b>		<b>525.12</b>	<b>395.05</b>	<b>3.46</b>	<b>398.51</b>	<b>489.45</b>	<b>-</b>

\* The amount stated here is value of projects undertaken, including the brought forward projects (including unspent budget of previous year).

### 6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PERCENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD REPORT

The allocated budget has been spent in full till **31.03.2016**.

### 7. RESPONSIBILITY STATEMENT

The Board of Directors of the Company affirms that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

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

**Sd/-**

**(Dr. A. K. Manocha)**

**Chairman & Managing Director**

**DIN:06976502**

**Place : New Delhi**

**Date: 17<sup>th</sup> August, 2016**





### Annexure – “D” to the Directors’ Report

Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	U74899DL1999GOI101707
Registration Date	27 <sup>th</sup> September, 1999
Name of the Company	Indian Railway Catering and Tourism Corporation Limited
Category / Sub-Category of the Company	Company Limited by Shares / Union Government Company
Address of the Registered office and contact details	11 <sup>th</sup> Floor, B-148, Statesman House, Barakhamba Road, New Delhi – 110001 Tel. No. 011-23311263-64 Fax. No. 011-233311259 Email: companysecretary@irctc.com
Whether Listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company are given below:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Internet Ticketing	—	40%
2	Catering	—	24%
3	Tourism	—	27%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Royale Indian Rail Tours Limited</b> Ground Floor, STC Building (Jawahar Vyapar Bhawan), 1-Tolstoy Marg, New Delhi-110001	U60100DL2008 PLC185285	Associate	50%	2(6) of Companies Act, 2013

*\*Due to dispute between equity partners, IRCTC had terminated the agreement with Cox and Kings Ltd. on 12<sup>th</sup> August, 2011 and initiated proceedings u/s 397 and 398 of the Companies Act, 1956 against Cox and Kings Ltd. and the matter is sub judice before the court. Further, permission has also been taken by RIRTL from CLB for not holding the Board and General Meetings without approval of CLB in July, 2013*



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				%Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt.	0	2,00,00,000	2,00,00,000	100%	0	2,00,00,000	2,00,00,000	100%	0.00
c) State Govt (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Others	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0.00</b>
<b>(2) Foreign</b>	—	—	—	—	—	—	—	—	—
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Other – Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Others	—	—	—	—	—	—	—	—	—
<b>Sub-Total (A) (2):-</b>	—	—	—	—	—	—	—	—	—
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	—	—	—	—	—	—	—	—	—
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital	—	—	—	—	—	—	—	—	—
i) Others	—	—	—	—	—	—	—	—	—
<b>Sub-total (B) (1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>2. Non Institutions</b>	—	—	—	—	—	—	—	—	—
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	—	—	—	—	—	—	—	—	—
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0</b>	<b>2,00,00,000</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0.00</b>



ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	President of India and its nominees	2,00,00,000	100%	0.00	2,00,00,000	100%	0.00	0.00
	<b>Total</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0.00</b>	<b>2,00,00,000</b>	<b>100%</b>	<b>0.00</b>	<b>0.00</b>

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year	2,00,00,000	100%	2,00,00,000	100%
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	No change during the year			
3.	At the end of the year	2,00,00,000	100%	2,00,00,000	100%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year	NA			
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				
3.	At the end of the year				

v. Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year	0	0.00	0	0.00
2.	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	0	0.00	0	0.00
3.	At the end of the year	0	0.00	0	0.00



### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>	<b>NIL</b>			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
– Addition				
– Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year (31.03.2016)</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (in ₹)
		WTD					
		Dr. A.K. Manocha Chairman & Managing Director	Shri M.P. Mall Director (Finance)	Shri R.N. Kalita Director (Catering Services) (till 29.02.2016)	Smt. A.K. Brar Director (Tourism & Marketing)		
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,68,139	35,02,693	31,90,349	27,81,161	1,52,297	1,25,94,639
	(b) Value of perquisites u/s17(2) of Income-tax Act, 1961	18,24,180	13,92,944	13,27,136	5,22,485	-	50,66,745
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-	-
5.	Others, please specify						
	1. Medical Reimbursement	2,78,071	4,68,409	6,100	-	-	7,52,580
	2. Entertainment Expenditure	72,353	7,014	90,906	1,39,498	-	3,09,771
	3. Electricity expenses	77,174	51,320	29,583	41,283	-	1,99,360
	7. TADK	1,17,534	1,53,554	90,000	2,02,594	6,774	5,70,456
	Total (A)	53,37,451	55,75,934	47,34,074	36,87,021	1,59,071	1,94,93,551
	Ceiling as per the Act*	N.A					

\*Section 197 of the Companies Act, 2013, is exempted for government companies in terms of Ministry of Corporate Affairs notification dated 5<sup>th</sup> June 2015.



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
1.	<b>Independent Directors</b>	<b>Sh. Sanjay Arora (Ceased to be Director w.e.f. 19.07.2015)</b>	<b>Sh. Alok Shivapuri (Ceased to be Director w.e.f. 19.07.2015)</b>	<b>Dr. Subhash Datta (Ceased to be Director w.e.f. 19.07.2015)</b>	
	a) Fee for attending Board/ Committee meetings	90,000	90,000	90,000	2,70,000
	b) Commission	—	—	—	—
	c) Others, please specify	—	—	—	—
	<b>Total (1)</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>2,70,000</b>
2.	<b>Other Non-Executive Directors</b>	<b>Smt. Mani Anand (Ceased to be Director w.e.f. 18.08.2015)</b>	<b>Sh. B. Prashanth Kumar (Appointed w.e.f. 20.05.2015)</b>	<b>Sh. Ranjan Prakash Thakur (Appointed w.e.f. 08.10.2015)</b>	
	a) Fee for attending Board/ Committee meetings	—	—	—	—
	b) Commission	—	—	—	—
	c) Others, please specify	—	—	—	—
	<b>Total (2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total (B)=(1+2)</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>2,70,000</b>
	<b>Total Managerial Remuneration</b>	<b>NA</b>			
	<b>Overall Ceiling as per the Act</b>	<b>NA</b>			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (in ₹)
		CEO <sup>@</sup>	Ms. Suman Kalra Company Secretary	CFO <sup>*</sup>	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	12,98,105	—	12,98,105
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	3,14,421	—	3,14,421
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission — as % of profit — Others, specify...	—	—	—	—
5.	Others, please specify	—	—	—	—
	<b>Total</b>	<b>—</b>	<b>16,12,526</b>	<b>—</b>	<b>16,12,526</b>

<sup>@</sup>CMD, IRCTC is deemed to be CEO

<sup>\*</sup> Director (Finance) is declared as CFO





### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of Board of Directors

Sd/-

(Dr. A. K. Manocha)

Chairman & Managing Director

DIN:06976502

Place : New Delhi  
Date: 17<sup>th</sup> August, 2016



**Annexure - "E" to the Directors' Report**

**AKHIL ROHATGI**  
M.Com. L.L.B. F.C.S.

**AKHIL ROHATGI & COMPANY**  
Company Secretaries  
21, Shamnath Marg, Civil Lines, Delhi-110054.  
Phone : 011-23926504, 9810690633  
Email : rohatgi\_co\_secy@yahoo.co.in

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

**The Members,  
Indian Railway Catering and Tourism Corporation Limited  
11<sup>th</sup> Floor, Statesman House,  
B-148, Barakhamba Road,  
Connaught Place,  
New Delhi-110001.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indian Railway Catering and Tourism Corporation Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Indian Railway Catering and Tourism Corporation Limited for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulations) Act, 1999 and the rules made thereunder is not applicable as the shares of Company are not listed with any of the Stock Exchanges.
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder are not applicable, as the transactions made by the company during the period under review did not attract the provisions/regulations/rules of the said Act. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable as the shares of Company are not registered with any of the depository mentioned under the said Act.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of Company are not listed with any of the Stock Exchanges.
- (vi) Other applicable Laws, Rules and Guidelines as mentioned here-in-below:
  - a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.



- b. Food Safety and Standards Act, 2006 its Rules and Regulations.
- c. The Legal Metrology Act 2009
- d. Right to Information Act 2005
- e. Shops and Establishment Act
- f. Sexual Harassment of Women at Workplace Act 2013
- g. Environmental laws as applicable
- i. Labour Laws as Applicable

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India with effect 1<sup>st</sup> July 2015:

During the period under review, the Company as per explanations and clarifications given to us and representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except that there was no Independent Director on the Board of the Company w.e.f. 19.07.2015. All the three Independent Directors on expiry of their term of appointment ceased to be Directors w.e.f. 19.07.2015, and thereafter no Independent Director was appointed by the Ministry of Railways. Consequently, in the absence of required number of Independent Directors, 'Audit Committee', and 'Nomination and Remuneration Committee' ceased to exist w.e.f. 19.07.2015 and 'CSR Committee' was without Independent Director. However, these Committees were subsequently re-constituted comprising of all Non-Independent Directors.

We further report that the Board is not duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors as after 19.07.2015 there was no Independent Director on the Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except appointment of Independent Directors.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision has been carried through in the meetings. It was informed by the management that there was no dissenting members on any of the agenda item put up before the Board for discussion.

We further report that as per the explanations given to us and representations made by the management there are adequate systems and processes in the company that commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Akhil Rohatgi & Co**

Sd/-

**Akhil Rohatgi**

Practicing Company Secretary

FCS No.: 1600

CP No: 2317

**Place : New Delhi**

**Date: 11<sup>th</sup> August, 2016**



**AKHIL ROHATGI**  
M.Com. L.L.B. F.C.S.

**AKHIL ROHATGI & COMPANY**  
Company Secretaries  
21, Shamnath Marg, Civil Lines,  
Delhi – 110054.  
Phone : 011-23926504, 9810690633  
Email : rohatgi\_co\_secy@yahoo.co.in

To,  
The Members,  
Indian Railway Catering and Tourism Corporation Limited  
11<sup>th</sup> Floor, Statesman House,  
B-148, Barakhamba Road,  
Connaught Place,  
New Delhi-110001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we follow, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable law, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Akhil Rohatgi & Co**

Sd/-

**Akhil Rohatgi**

Practicing Company Secretary  
FCS No.: 1600  
CP No: 2317

**Place : New Delhi**  
**Date: 11<sup>th</sup> August, 2016**

**MANAGEMENT'S REPLY TO THE OBSERVATIONS RAISED BY THE SECRETARIAL AUDITOR FOR  
THE FINANCIAL YEAR 2015-16**

<b>S.No.</b>	<b>Observation of Secretarial Auditor</b>	<b>Management's Reply</b>
<b>1</b>	All the three Independent Directors on expiry of their term of appointment ceased to be Directors w.e.f 19.07.2015, and thereafter no Independent Director was appointed by the Ministry of Railways. Consequently, in the absence of required number of Independent Directors, 'Audit Committee', and 'Nomination and Remuneration Committee' ceased to exist w.e.f. 19.07.2015 and 'CSR Committee' was without Independent Director. However, these Committees were subsequently reconstituted comprising of all Non-Independent Directors.	<p>IRCTC is Public Sector Undertaking under the administrative control of Ministry of Railways and a <b>"Government Company"</b> within meaning of Section 2(45) of the Companies Act, 2013. Also, the power of appointment of Directors on the Board of the Company is vested with the President of India, acting through Administrative Ministry, as per Article of Association (AOA) of the Company.</p> <p>The Company has represented to Ministry of Railways repeatedly to appoint requisite number of Independent Directors. The compliance with the provisions of the Companies Act 2013, and DPE guidelines on Corporate Governance for CPSEs relating to composition of Board and its Committees would be adhered to subsequent to the appointment of requisite number of Independent Directors.</p>

**For and on behalf of Board of Directors****Sd/-****(Dr. A. K. Manocha)****Chairman & Managing Director  
DIN:06976502****Place : New Delhi****Date: 17<sup>th</sup> August, 2016**





**SERVA ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Head Office: 8/28, 3<sup>rd</sup> Floor, W.E.A, Abdul Aziz Marg,  
Karol Bagh, Delhi 110005 Ph: 011-42502244, 3562  
Email: [serva.associates@gmail.com](mailto:serva.associates@gmail.com) Website: [www.serva.in](http://www.serva.in)

## Independent Auditors' Report

To the Members of **M/s Indian Railway Catering and Tourism Corporation Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **M/s Indian Railway Catering and Tourism Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss for the year, cash flow statement then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 internal control relevant to the Company's preparation and fair presentation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



### Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for balance confirmations as stated in para (h) below.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; except for:
    - i. That with regards to the Accounting Standard 5 on Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies, during the financial year under consideration the company has standardized the method of inventory valuation across the Neer plant at cost on First-in-First-Out basis. The inventory cost at factory and depots were also standardized (Refer to Note 57). Similarly, items of crockery/cutlery which were initially capitalized as Fixed Assets, the written down value of the same were charged off to profit and loss account as crockery expenses. Further the items purchased during the year were directly charged to revenue account (Refer to Note 60). However, the impact of change in such policies on the financial statements have not been quantified and separately disclosed.

Further as per the Para 2.5 (iv) to the notes to accounts, prior period expenses if any, which exceed ₹ 1 Lac only have been separately disclosed in the financial statements.
    - ii. That with regards to the Accounting Standard 10 on Accounting for Fixed Assets, as represented by the management on account of limitation in the authority to dispose off old assets, such assets appear at realizable value or ₹1 in the fixed assets register therefore inflating the gross block of assets as well as accumulated depreciation thereon. However, the same does not impact the depreciation and materially the written down book value of the fixed assets. Further, capital advances include a sum of ₹ 6.68 Crores paid to Central Railways Information System against acquisition of assets and some services since 2013-14 against which no procurement or service details are available with the company.
    - iii. That with regards to the Accounting Standard 22 on Accounting for Taxes on Income, the management has represented that in the absence of virtual certainty for adjustment, deferred tax asset (net) to the tune of ₹ 6761.05 Lacs have not been recognized in the books of accounts following prudence norms. Considering that there is no timing difference on account of carried forward business losses or unabsorbed depreciation representation of the management that there is no virtual certainty regarding sufficient profits arising in the future and tax saving on account of such timing difference does not hold good.
    - iv. That with regards to the Accounting Standard 27 on Accounting for Joint Ventures, on account of the ongoing litigation with M/s Cox & Kings Ltd. in respect of joint venture company M/s Royale Indian Rail Tours Limited, even the financial have not been prepared since 2010-11 and hence the company is neither filing the consolidated financial statements and nor the disclosures have been made regarding the financial position of such joint venture company. Further as informed to us, based on the legal opinion available with the company and in view of the termination of the joint venture agreements, the company is of the view that M/s Cox & Kings Ltd cannot invoke arbitration clause in relation to the reliefs sought. Consequential financial impact, if any could not be ascertained. (Refer to Note 31.3 & 39)



- v. That with regards to the Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets, the commissioner of VAT vide order dated 23<sup>rd</sup> March 2006 had levied VAT on on-board catering services in train treating the same as sales. The plea of the company was not accepted by the Appellate Tribunal and the Hon' Delhi High Court and SLP is now pending at the Hon' Supreme Court. The company as a prudent policy has been providing VAT liability but net of service tax being paid since only one of the taxes may be applicable. In case the ruling goes against the company, the VAT Liability along with the interest (which has not been provided) may arise on the company requiring the deposit entire amount of VAT excluding the service tax already paid and a separate claim for service tax refund may have to be filed. (Refer to Note 31.4)
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With regard to the Standard on Auditing 505, on External confirmations, we have to state that external confirmations from trade receivable, trade payables including account with Indian Railways, Centre for Railways Information System etc. could not be obtained during the course of our audit & hence the financial impact of such reconciliations with the parties could not be ascertained. Further, the transaction by transaction reconciliation of the banking transactions could not be made for some of the bank accounts being handled at Internet Ticketing division of the company on account of voluminous transactions. (Refer to Note No.32 & 33)
- h. That based on the verification of records and documents, in opinion considering the size of the company and the nature of its operations there is a need to strengthen the internal control system within the organization including period end closing activities, extraction/posting of financial data and information maintained at separate applications to the financial books of the company etc. Further in our opinion, the identification and reconciliation of the legacy transactions stated to have been existing since the migration of data from earlier financial system to present financials maintained in Oracle system needs to be completed. The financial impact arising out of the same could not be quantified.
- i. With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer to Note No.31)
  - (ii) The company had not entered into any long term contracts including derivative contracts
  - (iii) There were no amount which was required to be transferred to Investor education & Protection fund.

**For Serva Associates**  
**Chartered Accountants**  
**FRN:000272N**

Sd/-  
**CA. Amarjit Verma**  
(Partner)  
Membership Number: 083520

**Place : Delhi**  
**Date : 17<sup>th</sup> August 2016**



### Annexure A to the Auditors' Report

As referred to in the Auditors' Report of even date to the members of M/s **Indian Railway Catering and Tourism Corporation Limited** on the financial statements for the year ended March 31, 2016

- (i) (a) The company has maintained records showing full particulars, including quantitative details and situation of fixed assets however on verification of the fixed asset register it was observed that old fixed assets including mobile phones, computer and peripherals procured long ago continue to appear the asset list at realizable value/₹1. in the absence if any disposal policy.
- (b) As represented to us all the assets have been physically verified by the management during the year at regular intervals according to a program of verification. In our opinion, the manner of physical verification needs to be elaborated and formalized. No material discrepancies have been reported on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the company & no material discrepancies were reported on physical verification of the inventory during the year. The inventory has been taken as quantified, valued and certified by the management.
- (iii) The company has not granted any loan secured or unsecured to companies, firms, Limited liability partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act and hence provisions para (iii) are not applicable.
- (iv) The company has not given/advances any loans to directors and parties covered under Section 185 or loans and advances under Section 186 of the Companies Act, 2013 and hence the provisions of paragraph (iv) are not applicable to the company.
- (v) The company has not accepted any deposits and hence para (v) is not applicable.
- (vi) According to the information and explanations given to us, in our opinion the maintenance of cost records have not been prescribed for the company by the Central Government under subsection (1) of section 148 of the Companies Act, though the same have been made voluntarily by the company.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax (VAT), cess and other statutory dues were in arrears except a sum of ₹ 18,30,921/- towards service tax under reverse charge was payable as at 31<sup>st</sup> March'2016 for a period of more than six months from the date they become payable. The same was though duly deposited on 5<sup>th</sup> June 2016.
- (b) According to the information and explanation given to us, following are the statutory dues have not been deposited on account of dispute with the authorities apart from any further liability under VAT as per para 31.4 to the notes to accounts:

Sl. No	Name of Statute	Nature of dues	Forum where the dispute is pending	Amount ₹ in lacs
1	Service Tax-SZ	Renting on immovable properties	CESTAT, TRIBUNAL	679.03
2	Service Tax-SZ	Miscellaneous	Commissioner of Central Excise, Appeal, Kolkata	54.80
3	Service Tax-SZ	Renting on immovable properties	Commissioner of Central Excise, Appeal, New Delhi	390.03
4	Service Tax-SZ	Renting on immovable properties	Commissioner of Central Excise, Appeal, New Delhi	283.44
5	Service Tax-SZ	Renting on immovable properties	Commissioner of Central Excise, Appeal, New Delhi	978.03
<b>TOTAL</b>				<b>2385.33</b>



- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues against the borrowings made from Banks. No borrowings have been made from financial institutions or against debentures.
- (ix) The company has not raised any money by way of Initial Public Offer (IPO) or further public offer (including debt instruments). No term loans were taken by the company.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) That the Managerial remuneration has been paid or provided in accordance with the requisite provisions/ approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) The company is not a nidhi company & hence paragraph (xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) The company has not made any private placement of shares during the year under review and requirement of section 42 of the companies Act, 2013 are not applicable.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph (xv) of the order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Serva Associates**  
**Chartered Accountants**  
**FRN:000272N**

Sd/-  
**CA. Amarjit Verma**  
(Partner)  
Membership Number: 083520

**Place : Delhi**  
**Date : 17<sup>th</sup> August 2016**



**Annexure B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s **Indian Railway Catering and Tourism Corporation Limited** ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained subject to our comments reported in inherent limitations below are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principle and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur



and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We have broadly reviewed the operating procedures and identification of potential risks involved as documented by the management. Being the first year of documentation of such internal controls on financial statements, though effort has been made to cover substantially the entire business of the company, yet owing to multiple geographical locations, the testing of the risks control measures was restricted to selected locations only. However, we have considered the limitation reported above in determining the nature, timing & extent of audit test applied in our audit of financial statements of the company and the limitation does not affect our opinion on the financial statements of the Company.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Serva Associates**  
**Chartered Accountants**  
**FRN:000272N**

Sd/-

**CA. Amarjit Verma**  
(Partner)  
Membership Number: 083520

**Place : Delhi**  
**Date : 17<sup>th</sup> August 2016**

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**Annexure I**

Directions under Section 143(5) of the Companies Act 2013 applicable from the year 2015-16 accounts.

1. Whether the Company has clear title/lease deeds for free hold and lease hold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available? YES
2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved. NO
3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants(s) from Govt. or other authorities. YES, none assets were received as gift/grant from the government of other authorities during the Financial Year under consideration.

**For Serva Associates**  
**Chartered Accountants**  
**FRN:000272N**

Sd/-

**CA. Amarjit Verma**  
(Partner)  
Membership Number: 083520

**Place : Delhi**  
**Date : 17<sup>th</sup> August 2016**



### INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

CIN - U74899DL1999GOI101707

### BALANCE SHEET AS ON 31<sup>st</sup> MARCH, 2016

AMOUNT (₹ in Lakh)

PARTICULARS	NOTE NO.	31.03.2016	31.03.2015
<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	52,207.30	42,425.30
<b>(2) Non-Current Liabilities</b>			
(a) Other Long term liabilities	5	10,402.15	9,609.35
(b) Long term provisions	6	7,162.40	5,492.34
<b>(3) Current Liabilities</b>			
(a) Trade payables	7	5,130.11	4,035.94
(b) Other current liabilities	8	54,890.08	47,634.23
(c) Short-term provisions	9	11,912.84	5,014.13
<b>TOTAL</b>		<b>143,704.88</b>	<b>116,211.29</b>
<b>II. Assets</b>			
<b>(1) Non-Current Assets</b>			
(a) <i>Fixed assets</i>			
(i) Tangible assets	10	14,742.79	14,037.14
(ii) Intangible assets	10	1,118.38	1,494.70
(iii) Capital work-in-progress	10	1,419.16	1,647.82
(b) Non-current investments	11	—	—
(c) Long term loans and advances	12	2,859.06	2,593.47
(d) Other Non Current Asset	13	9,061.32	10,280.40
<b>(2) Current Assets</b>			
(a) Inventories	14	826.07	953.63
(b) Trade receivables	15	16,210.58	14,897.52
(c) Cash and Bank Balance	16	61,788.34	35,408.47
(d) Short-term loans and advances	17	32,335.31	33,486.97
(e) Other current assets	18	3,343.87	1,411.17
<b>TOTAL</b>		<b>143,704.88</b>	<b>116,211.29</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 Serva Associates  
Chartered Accountants  
Firm Reg. No. : 000272N

Sd/-

CA. Amarjit Verma  
Partner  
M.No: 083520

Place: New Delhi  
Date : 17<sup>th</sup> August, 2016

For and on behalf of Board of Directors

Sd/-

Dr. Arun Kumar Manocha  
Chairman & Managing Director  
DIN: 06976502

Sd/-

Mahendra Pratap Mall  
Director (Finance)  
DIN:02316235

Sd/-

Suman Kalra  
Company Secretary  
M.No. - A17284



### INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

CIN - U74899DL1999GOI101707

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

AMOUNT (₹ in Lakh)

PARTICULARS	NOTE NO.	31.03.2016	31.03.2015
I. Revenue from operations (Gross)	19	1,38,169.01	1,07,145.46
Less : Excise Duty		(1,490.71)	(1,231.96)
Revenue from operations (Net)		<b>1,36,678.30</b>	<b>1,05,913.50</b>
II. Other Income	20	13,895.37	8,207.44
<b>III. Total Revenue (I +II)</b>		<b>1,50,573.67</b>	<b>1,14,120.94</b>
<b>IV. Expenses</b>			
Cost of materials consumed	21	10,259.41	9,274.30
Purchase of Stock-in-Trade	22	12,770.92	14,671.20
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	253.37	4.00
Expenses of Licencee Catering Services	24	4,992.10	4,970.10
Expenses of Tourism	25	29,869.95	28,946.93
Manufacturing & Direct Expenses	26	33,991.50	6,780.18
Employee benefit expense	27	16,461.18	17,494.79
Financial costs	28	11.51	-
Depreciation and amortization expense	29	2,053.93	2,042.32
Other expenses	30	9,043.59	8,534.45
<b>IV. Total Expenses</b>		<b>1,19,707.46</b>	<b>92,718.27</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		<b>30,866.21</b>	<b>21,402.67</b>
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		<b>30,866.21</b>	<b>21,402.67</b>
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<b>30,866.21</b>	<b>21,402.67</b>
X. Tax expense:			
(1) Current tax		<b>12,002.72</b>	<b>8,339.86</b>
(2) Deferred tax			
XI. Profit/(Loss) for the period from continuing operations (IX-X)		<b>18,863.49</b>	<b>13,062.81</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>18,863.49</b>	<b>13,062.81</b>
XVI. Earning per equity share:			
(1) Basic (in ₹)		<b>94.32</b>	<b>65.31</b>
(2) Diluted (in ₹)		<b>94.32</b>	<b>65.31</b>

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

In terms of our report of even date appended here to

For Serva Associates  
Chartered Accountants  
Firm Reg. No. : 000272N

Sd/-

CA. Amarjit Verma  
Partner  
M.No: 083520

Sd/-

Dr. Arun Kumar Manocha  
Chairman & Managing Director  
DIN: 06976502

Sd/-

Mahendra Pratap Mall  
Director (Finance)  
DIN:02316235

Sd/-

Suman Kalra  
Company Secretary  
M.No. - A17284

Place: New Delhi  
Date : 17<sup>th</sup> August, 2016



### INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

CIN - U74899DL1999GOI101707

### Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016

AMOUNT (₹ in Lakh)

Particulars	2015-16	2014-15
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary Items	30,866.21	21,402.67
Adjustments		
Depreciation	2,053.93	2,042.32
Loss/(Profit) on Assets sold/Adj.	15.81	219.99
Transfer to SD Fund	—	—
Loss/(Profit) on Foreign Exchange Fluctuation	(9.03)	0.03
Interest Income	(4,803.63)	(2,346.81)
Total of Adjustments	(2,742.92)	(84.47)
Operating Profit before Working Capital Changes	28,123.29	21,318.20
Working Capital Changes		
Decrease/(Increase) in Inventories	127.56	(0.60)
Trade & Other Receivables	742.19	(14,542.23)
Trade Payables & Provisions	10,674.34	7,090.29
Cash Generated from Operation	39,667.38	13,865.66
Income Tax for Previous Year	—	—
Direct Taxes Paid	(10,902.00)	(6,995.26)
Net Cash from Operating Activities before extra ordinary items	28,765.38	6,870.39
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,209.92)	(7,014.44)
Sale of Fixed Assets	39.48	37.99
Investment in JV Company	—	—
Interest Received	2,870.93	2,392.31
Net Cash used in Investing Activities	700.49	(4,584.14)
<b>C Cash Flow from Financing Activities</b>		
Dividend Paid (including Tax on Dividend)	(3,144.95)	(1,684.73)
Net Cash from Financing Activities	(3,144.95)	(1,684.73)
Profit/(Loss) on Foreign Exchange Fluctuation	9.03	(0.03)
	9.03	(0.03)
<b>Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>26,329.95</b>	<b>601.50</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>35,582.34</b>	<b>34,980.84</b>
<b>Closing Balance of Cash &amp; Cash Equivalents :-</b>		
Term deposits having remaining maturity of more than 12 months	123.95	173.87
<b>Bank Balances :-</b>		
In Current Account	7,421.44	4,498.23
In Current Account- Earmarked Fund payable to Railway towards surplus on account of IHHA Conference	—	162.40
In Current Account- Received from CSR Trust and Earmarked for CSR expenses	24.73	133.83
Cheques, draft on hand	55.49	354.00
Cash on hand	82.70	73.99
<b>Other Bank Balances :-</b>		
In Term deposits having remaining maturity value of 3 months or less	22,914.72	8,000.00
Margin money against Bank guarantee	65.45	5.00
In Term deposits having remaining maturity of more than 3 months but not more than 12 months	31,114.52	22,129.22
Margin money against Bank guarantee	109.29	51.80
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>61,912.29</b>	<b>35,582.34</b>

**Notes:-** 1. Figures in bracket indicate cash outflow.  
2. Significant accounting policies and Notes to Accounts ( Note No.2) form an integral part of the Cash Flow Statement.  
3. Previous year figures have been rearranged / regrouped wherever necessary to confirm to current year's classification.

In terms of our report of even date appended here to

**For Serva Associates**  
**Chartered Accountants**  
**Firm Reg. No. : 000272N**

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

Sd/-  
**CA. Amarjit Verma**  
**Partner**  
**M.No: 083520**

Sd/-  
**Dr. Arun Kumar Manocha**  
**Chairman & Managing Director**  
**DIN: 06976502**

Sd/-  
**Mahendra Pratap Mall**  
**Director (Finance)**  
**DIN:02316235**

Sd/-  
**Suman Kalra**  
**Company Secretary**  
**M.No. - A17284**

**Place: New Delhi**  
**Date : 17<sup>th</sup> August, 2016**





## 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/Section 133 of the Companies Act, 2013.

##### 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 Accounting Standard-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: -

Sr. 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 Shatabdi /Express Trains.	(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. (ii) Fixed Annual License fee as per Catering Policy, 2005 and revised Catering Policy, 2005 of Ministry of Railways.
3.	Award of license for setting up of Food Plaza and operation thereof at the Indian Railway premises	(i) Fixed Monthly User Charges and Variable License Fee in case of contracts awarded under earlier 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.
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 forAVMs.
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 Re-developing, 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 and booking of Air Tickets. The Corporation is also engaged in booking of foreign tours on group basis. 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:**

At present, a non-transferable duty credit license under the 'Served from India Scheme' (SFIS) has been received as per Foreign Trade Policy 2009-2014. The said License can be used against payment of excise & import duty for prescribed items.

Now, Served from India Scheme (SFIS) has been replaced with Service Exports from India Scheme (SEIS) as per Foreign trade Policy 2015-2020.

The Duty Scrips issued under SEIS (2015-2020) would be freely transferable and also the Scrips issued under Exports from India Scheme can be used for payment of custom duty, excise duty and service tax.

## **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 like software, licenses, web portal, tourism portal etc. are recorded at the consideration paid for acquisition and useful life of Intangible Assets has been assumed as 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/CAPITAL ADVANCES:-

Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date. Advances paid to acquire fixed assets are shown as part of "Long Term Loans & Advances".

### 2.8 DEPRECIATION:-

- (i) Depreciation is provided in accordance with the life specified under schedule II of the Companies Act, 2013. 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) 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.
- (iii) 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.
- (iv) 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:-

The corporation has accounted for deferred taxation in line with Accounting Standard-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 Accounting Standard-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.

**2.17 LEASES:-**

**Where the Company is the lessee:-**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit & Loss on a straight line basis over the lease term.

**Where the Company is the lessor:-**

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of P & L as per the terms specified in the agreement. Costs, including depreciation are recognized as an expense in the statement of Profit & Loss.

**2.18 CASH FLOW STATEMENT:-**

Cash flow statement is made by using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.



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

	AMOUNT (₹ in Lakh)	AMOUNT (₹ in Lakh)
	31.03.2016	31.03.2015

#### NOTE-3

##### SHARE CAPITAL

###### Authorised Capital

50,000,000 Equity Shares of ₹10 each

5,000.00

5,000.00

(Previous year 50,000,000 Equity Shares of ₹10 each)

###### Issued, Subscribed & Paid-up Capital

20,000,000 Equity Shares of ₹10 each fully paid-up

2,000.00

2,000.00

(Previous year 20,000,000 Equity Shares of

₹10 each fully paid up)

2,000.00

2,000.00

#### NOTE-3.1

##### Reconciliation of Number of Shares

###### Equity Shares

Balance at the beginning of the Year

200.00

2,000.00

200.00

2,000.00

Add:- Shares issued during the year

—

—

—

—

**Balance at the end of the year**

**200.00**

**2,000.00**

**200.00**

**2,000.00**

#### NOTE-3.2

##### Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

###### Equity Shares

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.



THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

	AMOUNT (₹ in Lakh) 31.03.2016	AMOUNT (₹ in Lakh) 31.03.2015
<b>NOTE-4</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Balance at the Beginning of the Year	31,491.70	27,991.70
Add: Transferred from Statement of Profit & Loss	3,500.00	3,500.00
<b>Balance at the end of the Year</b>	<b>34,991.70</b>	<b>31,491.70</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>	<b>—</b>	<b>—</b>
<b>Research &amp; Development Fund</b>		
Balance at the Beginning of the Year	—	44.84
Contribution	—	(44.84)
Less: Utilized	—	—
<b>Balance at the end of the Year</b>	<b>—</b>	<b>—</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance at the Beginning of the Year	10,933.60	4,655.15
Less: Carrying amount of fixed assets of which the useful life is Nil as on 01/04/2015	—	184.25
	10,933.60	4,470.91
<b>Add: Transferred from Statement of Profit &amp; Loss</b>	<b>18,863.49</b>	<b>13,062.81</b>
<b>Total (A)</b>	<b>29,797.09</b>	<b>17,533.72</b>
<b>Less:</b>		
– Proposed Dividend on Equity Shares for the Year	(7,545.40)	(2,613.00)
– Dividend Distribution tax on Proposed Dividend on Equity Shares	(1,536.09)	(531.95)
– Transferred to General Reserve	(3,500.00)	(3,500.00)
<b>Total (B)</b>	<b>(12,581.49)</b>	<b>(6,644.95)</b>
<b>Less:</b>		
<b>Contribution towards :—</b>		
–Research & Development Fund	—	—
Less : Utilized	—	44.84
Transferred to Research & Development Fund	(C) —	44.84
<b>Balance at the end of the Year (A+B+C)</b>	<b>17,215.60</b>	<b>10,933.60</b>
<b>RESERVES AND SURPLUS</b>	<b>52,207.30</b>	<b>42,425.30</b>

**NOTE-5**

**OTHER LONG TERM LIABILITIES**

**Others**

Security Deposits	10,402.15	9,609.35
	<b>10,402.15</b>	<b>9,609.35</b>

**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.



THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

	AMOUNT (₹ in Lakh) 31.03.2016	AMOUNT (₹ in Lakh) 31.03.2015
<b>NOTE-6</b>		
<b>LONG TERM PROVISIONS</b>		
<b>Provision For Employee Benefits</b>		
Retirement Benefits	7,162.40	5,492.34
	<u>7,162.40</u>	<u>5,492.34</u>
Refer Note No.31		
<b>NOTE-7</b>		
<b>TRADE PAYABLES</b>		
<b>Trade Payables</b>		
For Goods	1,120.33	925.55
For Services	4,009.78	3,110.39
	<u>5,130.11</u>	<u>4,035.94</u>
	<u>5,130.11</u>	<u>4,035.94</u>
<b>NOTE-7.1</b>		
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.		
<b>NOTE-8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>Income Received in Advance</b>		
Unexpired Concession Fee	43.96	65.12
Unexpired Licence Fee	4,804.95	3,743.88
Unexpired User Charges	19.92	18.83
Advances Received	5,872.32	3,589.55
Received from CSR Trust	24.73	133.83
(A)	<u>10,765.88</u>	<u>7,551.21</u>
<b>Other Payables</b>		
Earnest Money Deposit	546.45	230.53
Security Deposits	3,175.58	3,902.34
Payable to Railway towards surplus on account of IHHA Conference	-	162.40
Refundable for Internet Ticketing	1,195.57	325.88
Others - expenses	30,604.21	27,615.60
Provision for Vat (Net of service Tax) (refer note no.31.4)	7,979.01	7,263.00
Payable towards Capex	-	145.75
Taxes payables	623.38	437.52
(B)	<u>44,124.20</u>	<u>40,083.02</u>
<b>TOTAL</b>	<b>(A+B)</b>	<b>54,890.08</b>
<b>NOTE-9</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Employee Benefits	258.75	397.29
(a)	<u>258.75</u>	<u>397.29</u>
Others		
Provision for Income Tax net of Advance Tax Including TDS [net of provisions of ₹12002.72 Lakh (March 31, 2015: ₹ 8339.86 Lakh)]	2,572.60	1,471.89
Proposed Dividend	7,545.40	2,613.00
Provision for Dividend Tax	1,536.09	531.95
(b)	<u>11,654.09</u>	<u>4,616.84</u>
<b>TOTAL</b>	<b>(a + b)</b>	<b>11,912.84</b>
		<u>5,014.13</u>



FIXED ASSET CHART AS ON 31<sup>ST</sup> MARCH 2016

NOTE NO 10 FIXED ASSETS

AMOUNT (₹ in Lakh)

Particular	GROSS AMOUNT			DEPRECIATION & AMMORTISATION						CARRYING AMOUNT	
	Original Cost as on 01.04.2015	Additions during the year	Deletion/Sales during the year	Original Cost as on 31.3.2016	Upto 01.04.2015	Amount Transferred to Retained Earning	Depreciation Charged during the year	Depreciation On Deletion/Sales/ Adjustments	Upto Mar-16	As at 31.03.2016	As at 31.03.2015
<b>(A) Tangible Assets</b>											
Building-Factory-Leasehold	2,180.56	10.71	-	2,191.27	244.91	-	58.37	-	303.28	1,887.98	1,935.65
Building-Office-Leasehold	79.52	90.09	-	169.61	14.93	-	2.70	-	17.63	151.99	64.60
Plant & Machinery	4,181.98	387.20	-	4,569.18	1,492.74	-	126.29	-	1,619.03	2,950.14	2,689.24
Electrical Installation & Equipments	460.76	28.15	-	488.91	202.77	-	29.97	-	232.74	256.17	257.99
Computer	7,001.34	376.01	59.18	7,318.17	4,052.01	-	676.50	51.47	4,677.04	2,641.13	2,949.33
Furniture & Fixtures	637.07	29.23	14.58	651.72	430.49	-	34.71	9.33	455.87	195.85	206.58
Office Equipment	1,858.17	112.38	215.05	1,755.50	1,363.47	-	180.66	173.60	1,370.53	384.95	494.70
Air Conditioner	454.04	12.65	1.94	464.75	177.92	-	41.74	1.07	218.59	246.16	276.12
Luxury Tourist Train	3,842.34	-	-	3,842.34	1,656.74	-	214.71	-	1,871.45	1,970.88	2,185.59
Leasehold Improvements	1,387.72	39.68	-	1,427.40	608.28	-	113.72	-	722.00	705.40	779.44
Flats On Leasehold Land	951.87	-	-	951.87	108.88	-	30.07	-	138.95	812.92	842.99
<b>Land</b>											
Leasehold Land	226.17	1,018.06	-	1,244.23	-	-	1.33	-	1.33	1,242.90	226.17
Freehold Land	1,128.75	167.56	-	1,296.31	-	-	-	-	-	1,296.31	1,128.75
	<b>24,390.29</b>	<b>2,271.73</b>	<b>290.75</b>	<b>26,371.29</b>	<b>10,353.15</b>	<b>-</b>	<b>1,510.77</b>	<b>235.46</b>	<b>11,628.48</b>	<b>14,742.79</b>	<b>14,037.14</b>
<b>(B) Intangible Assets</b>											
Softwares	1,952.22	166.36	-	2,118.58	580.72	-	456.58	-	1,037.30	1,081.27	1,371.50
Licenses & Franchise	1,341.32	0.49	-	1,341.81	1,218.12	-	86.58	-	1,304.70	37.11	123.20
	<b>3,293.54</b>	<b>166.85</b>	<b>-</b>	<b>3,460.39</b>	<b>1,798.84</b>	<b>-</b>	<b>543.16</b>	<b>-</b>	<b>2,342.00</b>	<b>1,118.38</b>	<b>1,494.70</b>
<b>Total Current Year</b>	<b>27,683.83</b>	<b>2,438.58</b>	<b>290.75</b>	<b>29,831.67</b>	<b>12,151.99</b>	<b>-</b>	<b>2,053.93</b>	<b>235.46</b>	<b>13,970.48</b>	<b>15,861.17</b>	<b>15,531.84</b>
<b>Total Previous Year</b>	<b>21,351.67</b>	<b>6,973.69</b>	<b>641.53</b>	<b>27,683.83</b>	<b>10,308.95</b>	<b>184.25</b>	<b>2,042.32</b>	<b>383.55</b>	<b>12,151.99</b>	<b>15,531.84</b>	<b>11,042.72</b>

NOTE 10 - CAPITAL WORK IN PROGRESS

AMOUNT (₹ in Lakh)

Particular	Original Cost as on 31.03.2016	Original Cost as on 31.03.2015
Railneer Plant - Ambernath	-	267.19
Corporate Office-Gurgaon	858.33	304.05
Railneer Plant-Sankrail	-	362.52
Railneer Plant-Bilaspur	500.50	-
Railneer Plant-Masoori-Gulawati Road	-	520.91
Others	60.33	193.15
<b>TOTAL</b>	<b>1,419.16</b>	<b>1,647.82</b>





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

	AMOUNT (₹ in Lakh) 31.03.2016	AMOUNT (₹ in Lakh) 31.03.2015
<b>NOTE-11</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Investment in Equity Instruments</b>		
<b>In Joint Venture's Equity</b>		
Royale Indian Rail Tours Ltd. (25,00,000 shares @ ₹10 per share)	250.00	250.00
Less : Provision for Diminution in value of investment	250.00	250.00
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>
<b>NOTE-12</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
<b>(Unsecured considered good for recovery by the management)</b>		
<b>Advances Recoverable in Cash or in kind or for value to be received</b>		
Capital Advance to Indian Railways for Construction of Flats & Land (Refer note no. 63)	211.43	211.43
Capital Advance to RVNL for Construction of Flats & Land (Refer note no. 63)	342.00	342.00
Capital Advance to CRIS in relation to Internet Ticketing	698.40	698.40
Capital Advance to ION Exchange(I)Ltd. for upgradation of water treatment plant	—	59.58
Security Deposits	1,607.23	1,312.06
	<u>2,859.06</u>	<u>2,593.47</u>
	<u>2,859.06</u>	<u>2,593.47</u>
<b>NOTE-13</b>		
<b>OTHER NON CURRENT ASSETS</b>		
<b>Trade Receivables</b>		
<b>(Unsecured considered good for recovery by the management)</b>		
Considered Good	8,937.37	10,106.53
Considered Doubtful	3,848.84	3,422.75
	<u>12,786.21</u>	<u>13,529.28</u>
Less : Provision for Doubtful Debts	<u>(3,848.84)</u>	<u>(3,422.75)</u>
<b>Total (a)</b>	<u>8,937.37</u>	<u>10,106.53</u>
<b>Other Bank Balances</b>		
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	123.95	173.87
<b>Total (b)</b>	<u>123.95</u>	<u>173.87</u>
<b>TOTAL (a + b)</b>	<u>9,061.32</u>	<u>10,280.40</u>
<b>NOTE-14</b>		
<b>INVENTORIES</b>		
<b>INVENTORIES</b>		
<b>(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)</b>		
Raw Material	358.82	233.01
Finished Goods	313.10	617.98
Trading Goods—Packed (PD) Items	104.09	102.64
Work in progress	50.06	—
(Refer note no. 57)	<u>826.07</u>	<u>953.63</u>
<b>TOTAL</b>	<u>826.07</u>	<u>953.63</u>



THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

	AMOUNT (₹ in Lakh)		AMOUNT (₹ in Lakh)	
	31.03.2016		31.03.2015	
NOTE-15				
TRADE RECEIVABLES				
(Unsecured considered good for recovery by the management)				
– Debts outstanding for a period exceeding six months				
Considered Good	4,937.09		3,321.00	
Considered Doubtful	–	4,937.09	–	3,321.00
– Others Debts				
Considered Good	11,273.49		11,576.52	
Considered Doubtful			–	
	11,273.49		11,576.52	
Less : Provison for Doubtful Debts	–	11,273.49	–	11,576.52
TOTAL		16,210.58		14,897.52
NOTE-16				
CASH AND BANK BALANCE				
Cash and Cash Equivalents				
Bank Balances				
In Current Account	7,421.44		4,498.23	
In Current Account– Earmarked Fund payable to Railway towards surplus on account of IHHA Conference	–		162.40	
In Current Account– Received from CSR Trust and Earmarked for CSR expenses	24.73		133.83	
Cheques, draft on hand	55.49		354.00	
Cash on hand	82.70		73.99	
(a)	7,584.36		5,222.45	
Other Bank Balances				
In Term deposits having remaining maturity value of 3 months or less	22,914.72		8,000.00	
Margin money against Bank guarantee	65.45		5.00	
In Term deposits having remaining maturity of more than 3 months but not more than 12 months (Refer note no. 58)	31,114.52		22,129.22	
Margin money against Bank guarantee	109.29		51.80	
(b)	54,203.98		30,186.02	
TOTAL	(a + b)	61,788.34		35,408.47
NOTE-17				
SHORT TERM LOANS & ADVANCES				
Others				
Balances with Govt. Authorities		2,509.99		2,306.94
Other Deposits		27,631.40		29,297.02
Prepaid Expenses		431.50		262.71
Other Advances & Receivables	1,824.90		1,682.78	
Less : Provision for Doubtful advances	(62.48)	1,762.42	(62.48)	1,620.30
TOTAL		32,335.31		33,486.97



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

	AMOUNT (₹ in Lakh)	AMOUNT (₹ in Lakh)
	31.03.2016	31.03.2015
<b>NOTE-18</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued but not due on Term & Fixed Deposits	3,343.87	1,411.17
	<u>3,343.87</u>	<u>1,411.17</u>
	<u>3,343.87</u>	<u>1,411.17</u>
<b>NOTE-19</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>A Sale Of Products</b>		
(i) Railneer (Packaged Drinking Water)	13,051.95	9,226.77
(ii) Departmental Catering		
–Sale of Food & Beverages (Refer note no. 31.4)	22,655.37	26,039.19
(iii) Non–Railway Business		
–Income from Catering	2,655.06	3,432.14
–Income from Other Services	68.87	83.70
	<u>38,431.25</u>	<u>38,781.80</u>
<b>Total–Sale of Product</b>	<u>38,431.25</u>	<u>38,781.80</u>
<b>B Sale of Service</b>		
<b>i) Internet Ticketing</b>		
Service Charges Earned–IR Tickets	55,149.29	25,303.79
(a)	<u>55,149.29</u>	<u>25,303.79</u>
<b>ii) Income From Licencee Catering Services</b>		
Income from Catering & Comprehensive Services provided		
Income from On Board Catering & Other Services–		
Rajdhani/Shatabdi/Premium Trains	2,209.09	2,793.18
<b>Income from Concession Fee, Licence Fee etc.</b>		
Income from Concession Fee	145.97	61.70
Income from Licence Fee	1,714.89	981.42
Income from User Charges–Food Plaza	285.61	333.82
Income from Licence Fee–Food Plaza	2,948.99	2,789.67
(Refer note no.59)		
(b)	<u>7,304.55</u>	<u>6,959.79</u>
<b>iii) Tourism</b>		
- Travel & Tour Revenue	32,343.65	31,267.85
- Income from User Charges–Rail Yatri Niwas	115.12	107.59
- Income from Licence Fee–Rail Yatri Niwas	196.39	186.91
- Maharaja Express–Revenue	4,578.71	4,504.70
(c)	<u>37,233.87</u>	<u>36,067.05</u>
<b>Total–Sale of Services</b>	<u>99,687.71</u>	<u>68,330.63</u>
<b>Other Operating Income</b>		
Scrap Sale–Rail Neer	45.70	31.38
Scrap Sale–Departmental Catering	0.52	0.23
Scrap Sale–Non–Railway Catering	3.83	1.42
	<u>50.05</u>	<u>33.03</u>
	<u>50.05</u>	<u>33.03</u>
<b>Revenue from Operation (Gross)</b>	<u>138,169.01</u>	<u>1,07,145.46</u>



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

	AMOUNT (₹ in Lakh)	AMOUNT (₹ in Lakh)
	31.03.2016	31.03.2015
<b>NOTE-20</b>		
<b>OTHER INCOME</b>		
<b>Interest Income</b>		
– Interest Income on FDR's & TDR's (Gross)	4,803.63	2,346.81
– Interest Income - Others	69.71	–
(a)	<b>4,873.34</b>	<b>2,346.81</b>
<b>Other Non-Operating Income</b>		
– Income From Licence Fee-Call Centre	225.00	200.00
– Income from Advertisement/SBI CO-Branded Cards & Loyalty Cards	5,935.85	2,871.37
– Income From Fees from IATA/RTSA/Internet Cafe, etc.	1,885.15	2,201.02
– Countermanding Charges & Security Deposit Forfeited	59.37	18.54
– Income Accrued on Forfeiture of Contracts	4.73	–
– Sale of Tender Forms	5.25	3.29
– Excess Provision Written Back	87.37	89.92
– Income From Vending	–	0.90
– Profit on foreign exchange fluctuation	9.03	–
– Prior period Income	109.48	–
– Miscellaneous Income	770.51	475.59
(b)	<b>9,022.03</b>	<b>5,860.63</b>
<b>Total</b>	<b>(a+b)</b>	<b>13,895.37</b>
<b>NOTE-21</b>		
<b>COST OF MATERIAL CONSUMED</b>		
<b>Railneer (Packaged Drinking Water)</b>		
Opening Stock	130.96	126.74
ADD: Purchases And Expenses	5,640.62	4,448.20
	5,771.58	4,574.94
LESS: Closing Stock	235.10	130.96
(a)	<b>5,536.48</b>	<b>4,443.98</b>
<b>DEPARTMENTAL CATERING</b>		
Opening Stock	102.05	101.67
ADD: Purchases And Expenses (Refer note no. 60)	4,744.59	4,830.70
	4,846.64	4,932.37
LESS: Closing Stock	123.71	102.05
(b)	<b>4,722.93</b>	<b>4,830.32</b>
<b>Total</b>	<b>(a+b)</b>	<b>10,259.41</b>
<b>NOTE-22</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of PD/Cooked food items for resale	11,014.88	12,174.59
Purchase – Non-Railway Catering	1,756.04	2,496.61
	<b>12,770.92</b>	<b>14,671.20</b>



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

	AMOUNT (₹ in Lakh)	AMOUNT (₹ in Lakh)
	31.03.2016	31.03.2015
<b>NOTE-23</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
<b>RAILNEER (Packaged Drinking Water)</b>		
<b>Opening Stock</b>		
Finished Goods	617.98	550.71
Work in progress	-	-
	<b>617.98</b>	<b>550.71</b>
<b>Closing Stock</b>		
Finished Goods	313.10	617.98
Work in progress (Refer note no.57)	50.06	-
	<b>363.16</b>	<b>617.98</b>
(a)	<b>254.82</b>	<b>(67.27)</b>
<b>DEPARTMENTAL CATERING</b>		
<b>Opening Stock</b>		
Finished Goods	-	0.10
PD Items	102.64	173.81
	<b>102.64</b>	<b>173.91</b>
<b>Closing Stock</b>		
Finished Goods	-	-
PD ITEMS	104.09	102.64
	<b>104.09</b>	<b>102.64</b>
(b)	<b>(1.45)</b>	<b>71.27</b>
(Increase)/Decrease in Finished Goods	(a+b)	<b>4.00</b>
	<b>253.37</b>	<b>4.00</b>
<b>NOTE-24</b>		
<b>EXPENSES OF LICENCEE CATERING SERVICES</b>		
<b>Expenses of Catering &amp; Comprehensive Services Provided</b>		
On Board Catering & Other Charges- Rajdhani & Shatabdi/Premium Trains	2,210.39	2,793.18
<b>Expense of Concession Fee, Licence Fee etc.</b>		
Concession Fee	27.97	17.38
Licence Fee	323.06	203.94
User Charges - Food Plaza	114.24	133.53
Licence Fee - Food Plaza	1,179.85	1,116.01
Service Tax - Food Plaza (Refer Note-31.2)	1,134.70	705.46
Licence Fee Railway Land - Food Plaza	1.89	0.60
	<b>4,992.10</b>	<b>4,970.10</b>
	<b>4,992.10</b>	<b>4,970.10</b>
<b>NOTE-25</b>		
<b>EXPENSES OF TOURISM</b>		
Travel & Tour Expenses	26,461.43	25,864.93
Licence Fee - Rail Yatri Niwas	49.10	46.73
User Charges - Rail Yatri Niwas	28.78	26.90
Licence Fee Paid Railway Land - Rail Yatri Niwas	0.04	0.04
Maintenance & Other Charges	188.00	142.12
Expenses of Maharaja Express	3,142.60	2,866.21
	<b>29,869.95</b>	<b>28,946.93</b>
	<b>29,869.95</b>	<b>28,946.93</b>





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

	AMOUNT (₹ in Lakh)	AMOUNT (₹ in Lakh)
	31.03.2016	31.03.2015
<b>NOTE-26</b>		
<b>MANUFACTURING &amp; DIRECT EXPENSES</b>		
<b>Rail Neer (Packaged Drinking Water)</b>		
- Operation & Maintenance Charges	943.09	687.87
- License fee Railway Land	210.26	199.76
- Power & Fuel	666.60	531.28
- Repair & Maintenance - Plant & Machinery	24.58	15.95
- Repair & Maintenance - Others	24.23	5.78
- Other Direct Expenses	78.06	19.08
(a)	<b>1,946.82</b>	<b>1,459.72</b>
<b>Departmental Catering</b>		
- Freight Inward Loading & Unloading-Catering	50.03	54.51
- Food Inspection Expenses	0.82	0.56
- Fuel	433.90	565.58
- Expenses of Facility Management Services	70.74	99.05
- Other Direct Expenses	155.29	107.70
(b)	<b>710.78</b>	<b>827.40</b>
<b>Internet Ticketing</b>		
- Maintenance & Other Charges	1,747.15	2,004.17
- Cancellation Charges	183.72	251.65
- Railway Share (Refer Note-61)	29,142.13	1,991.52
- Internet Usage Charges	162.55	117.09
- Messaging Expenses	98.35	128.63
(c)	<b>31,333.90</b>	<b>4,493.06</b>
<b>Total</b>	<b>(a+b+c) 33,991.50</b>	<b>6,780.18</b>
<b>NOTE-27</b>		
<b>EMPLOYEE BENEFIT COSTS</b>		
Salaries, Wages & Bonus	14,277.05	14,942.09
Contribution to Provident and Other Funds	1,616.30	1,950.71
Gratuity	490.13	518.79
Staff Welfare Expenses	77.70	83.20
	<b>16,461.18</b>	<b>17,494.79</b>
	<b>16,461.18</b>	<b>17,494.79</b>
See also Note No.36 & 62		
<b>NOTE-28</b>		
<b>FINANCIAL COST</b>		
Interest Expenses	11.51	-
	<b>11.51</b>	-
	<b>11.51</b>	-
<b>NOTE-29</b>		
<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
Depreciation on Tangible Assets	1,510.77	1,692.88
Depreciation on Intangible Assets	543.16	349.44
	<b>2,053.93</b>	<b>2,042.32</b>
	<b>2,053.93</b>	<b>2,042.32</b>



THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

	AMOUNT (₹ in Lakh)	AMOUNT (₹ in Lakh)
	31.03.2016	31.03.2015
<b>NOTE-30</b>		
<b>OTHER EXPENSES</b>		
Electricity & Water	337.51	266.83
Office Rent	1,079.83	1,030.31
Duties, Rates & Taxes	29.70	55.65
Repair Maintenance & other	773.39	763.04
Insurance	78.32	74.92
Travelling Expenses	534.52	653.36
Director Sitting Fees	2.76	4.80
Payment To Auditors		
- As Auditor		
Audit Fees (includes ₹ 40,000/- paid to previous year Auditor)	5.24	4.00
Tax Audit Fees	2.43	1.85
Other Services	-	0.20
Reimbursement of Expenses	1.30	1.35
Cost Audit Fee	3.12	2.71
Internal Audit Fee	2.62	2.63
Legal & Professional Fees	482.64	267.16
Customer Satisfaction Survey Expenses	328.88	18.71
Freight Outward & CFA Charges	2,320.45	1,767.28
Provision for Doubtful Debts & Advances	426.09	1,061.30
Corporate Social Responsibility	290.67	39.75
Prior Period Expenses	216.73	-
Loss on Foreign Exchange Fluctuation	-	0.03
Miscellaneous Expenses	2,127.39	2,518.57
	<b>9,043.59</b>	<b>8,534.45</b>
<b>TOTAL</b>	<b>9,043.59</b>	<b>8,534.45</b>



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

**NOTE NO. 31: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**31.1: 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, 2016 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)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening Balance	3422.75	2361.45	62.48	62.48	1604.68	1392.99	390.26	59.46	2028.39	1332.98
Addition	426.09	1061.30	—	—	626.87	349.72	490.12	518.79	263.57	695.41
Utilization/ Contribution	—	—	—	—	(108.16)	(138.03)	(224.25)	(187.99)	—	—
Reversal	—	—	—	—	—	—	—	—	—	—
Closing Balance	<b>3848.84</b>	<b>3422.75</b>	<b>62.48</b>	<b>62.48</b>	<b>2123.39</b>	<b>1604.68</b>	<b>656.13</b>	<b>390.26</b>	<b>2291.96</b>	<b>2028.39</b>

(₹ in Lakh)

Particulars	Provision for Pension for Optees (Retirement Benefits)		Provision for Half Pay leave		Provision for LTC		Provision for Post Retirement Medical Scheme	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening Balance	497.95	444.24	775.41	431.94	27.73	24.50	565.20	—
Addition	—	153.35	481.81	343.47	47.70	12.30	65.10	565.20
Utilization/ Contribution	(99.52)	(99.64)	—	—	(11.69)	(9.07)	—	—
Reversal	—	—	—	—	—	—	—	—
Closing Balance	<b>398.43</b>	<b>497.95</b>	<b>1257.22</b>	<b>775.41</b>	<b>63.74</b>	<b>27.73</b>	<b>630.30</b>	<b>565.20</b>

**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.
- As per the DPE guidelines, Company has formulated employees' Post-Retirement Medical 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.



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

#### 31.2: CONTINGENT LIABILITIES

Claims against the Corporation pending appellate/judicial decisions:

(₹ in Lakh)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a.	Employee Court Case – SCZ	9.20	9.20
b.	Service Tax	2,542.00	1,407.30
c.	Others	9,880.50	9,362.95
	<b>Total</b>	<b>12,431.70</b>	<b>10,779.45</b>

Claim against the corporation not acknowledge as debt.

(₹ in Lakh)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a.	Service Tax	8,388.36	9,373.54
b.	VAT	2,484.27	2,337.79
c.	Other Taxes	7.74	7.74
	<b>Total</b>	<b>10,880.37</b>	<b>11,719.07</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

#### 31.3:

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, IRCTC is of the view that Cox and Kings Ltd. cannot 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.

#### 31.4: VAT Case filed before Hon'ble Supreme Court of India

The Corporation has been paying service tax towards on-board catering services in trains in which catering charges are included in railway fare. The commissioner of VAT vide order dated 23.03.2006 considered on-board catering service in trains as sale of goods within the meaning of section 2(zc)(vii) of the said Act.

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

IRCTC filed an appeal before the Appellate Tribunal Value Added Tax. The Tribunal, while partly allowing the appeal vide order dated 07.09.2006, held that the observations pertaining to Central Act were beyond the Commissioner's jurisdiction as they pertained to taxability of the goods on sale or purchase taking place in the course of inter-state sale outside the State.

IRCTC assailed the said order by way of filing writ petitions in the Hon'ble High Court of Delhi at New Delhi praying that the services rendered by IRCTC are not liable to Value Added Tax under the Delhi Value Added Tax Act, 2004 and that on-board catering services of the Corporation are primarily services in which food and beverages are also provided and are liable to service tax only. The Hon'ble Delhi High Court upheld the decision of commissioner of VAT and dismissed the petition of IRCTC. The Hon'ble High Court had stated that Corporation is liable to pay VAT. However, it may take refund of service tax already paid.

Aggrieved by the Judgement, the Corporation has moved to Hon'ble Supreme Court, filing Special leave petition against the judgment dated 19.7.2010 passed by the Hon'ble High Court of Delhi. SLP 25292-25319 of 2010 had been admitted and awaiting its turn. The Hon'ble Supreme Court has granted ad-interim direction in the nature of Status Quo on recovery of the demand raised by VAT authorities. Hence the matter is sub-judice and the Corporation is not liable to pay VAT at present. However, the Corporation has provided VAT liability net of service tax of ₹ 7979.01 lakh up to FY 2015-16 across India as a matter of prudent accounting policy and amount pertaining to current year is reduced from sales. Corresponding VAT input admissibility is shown as balance with Govt. Authorities (Note-17).

**NOTE NO. 32 : PAYMENT GATEWAYS**

Company is handling Railway reservations through internet for which five payment gateways and more than thirty five Net Banking/Debit Card networks of almost all the banks are being used. The volume of transactions in all these accounts is very huge and increasing day by day with increase in Booking of tickets. Transaction wise reconciliation has been carried out for the financial year 2015-16 to smoothen the process. However, certain differences are still persisting for financial years prior to 2015-16 which are 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. 33 : TRADE RECEIVABLES**

The Trade Receivables, Trade Payables, Advance to Railways 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 ₹ 426.09 lakh (previous year ₹ 1,061.30 lakh) against receivables from various parties including Railways which in view of the management are doubtful of recovery.

**NOTE NO. 34 : CAPITAL COMMITMENT**

Estimated amount of Contracts remaining to be executed on capital account and not provided for amounts to ₹ 1476.14 Lakh as against ₹ 2323.13 Lakh in the previous year.

**NOTE NO. 35 :**

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. 36 : 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. Actuarial valuation though was made for all employees irrespective of the completion of 5 years of service.
- (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.





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

- (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 2015-16 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**

S. No.	Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(i)	Discount rate(per annum)	7.91%	7.79%
(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	3
	From 31 to 44 Years	2	3
	Above 44 Years.	2	3
(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	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
a)	Fair value of plan assets at the beginning of the period	1086.94	1,086.94	—	—	—	—	—	—
b)	Acquisition adjustment	—	—	—	—	—	—	—	—
c)	Expected return on plan assets	92.74	86.96	—	—	—	—	—	—
d)	Contributions	184.69	—	97.76	98.04	—	—	11.69	9.07
e)	Benefits paid	(14.68)	—	(97.76)	(98.04)	—	—	(11.69)	(9.07)
f)	Actuarial gain/(loss) on plan assets	235.10	(86.96)	—	—	—	—	—	—
g)	Fair value of plan assets at the end of the period	1584.79	1086.94	—	—	—	—	—	—



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

**(ii) Fair value of plan asset**

(₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
a)	Fair value of plan assets at the beginning of the period.	1086.94	1086.94	—	—	—	—	—	—
b)	Acquisition adjustment	—	—	—	—	—	—	—	—
c)	Actual return on plan assets	327.84	—	—	—	—	—	—	—
d)	Contributions	184.69	—	97.76	98.04	—	—	11.69	9.07
e)	Benefits paid	(14.68)	—	(97.76)	(98.04)	—	—	(11.69)	(9.07)
f)	Fair value of plan assets at the end of the period	1584.79	1086.94	—	—	—	—	—	—
g)	Funded status-Surplus/ (Deficit)	(659.45)	(354.02)	(1971.48)	(1442.38)	(1257.22)	(775.41)	(63.73)	(27.73)
h)	Excess of actual over estimated return on plan assets	—	—	—	—	—	—	—	—

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

(₹ in Lakh)

Sr. No.	Particulars	Gratuity	Leave Encashment	Half Pay Leave	LTC
(i)	Present value of the Projected benefit obligations as at 1 <sup>st</sup> April, 2015	1440.96	1442.38	775.41	27.73
(ii)	Current Service Cost	316.81	317.64	7.03	4.98
(iii)	Interest Cost	113.40	110.22	61.33	1.73
(iv)	Actuarial gains(-)/losses(+)	387.75	199.00	413.45	40.98
(v)	Past Service Cost	—	—	—	—
(vi)	Benefits Used	14.68	97.76	—	11.69
(vii)	Present Value of the projected benefit obligations as on 31 <sup>st</sup> March, 2016 (i+ii+iii+iv-v-vi) <b>(Amount recognized in Balance sheet).</b>	2244.24	1971.48	1257.22	63.73

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

(₹ in Lakh)

Sr. No.	Particulars	Gratuity	Leave Encashment	Half Pay Leave	LTC
(i)	Net Asset/(Liability) Recognized at the beginning of the period	(354.02)	(1442.38)	(775.41)	(27.73)
(ii)	Employer Expenses	(490.12)	(626.86)	(481.81)	(47.69)
(iii)	Employer Contribution	184.69	97.76	—	11.69
(iv)	Acquisitions/Divestures	—	—	—	—
(v)	Net Asset/(Liability) Recognized at the end of the period <b>(Amount recognized in Balance sheet).</b>	(659.45)	(1971.48)	(1257.22)	(63.73)



(f) Expenses recognized in the Statement of Profit & Loss Account for the year ended 31<sup>st</sup> March, 2016:  
(₹ in Lakh)

Sr. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
(i)	Current Service Cost	316.81	273.31	317.64	219.25	7.03	297.10	4.98	1.32
(ii)	Interest Cost	113.40	86.64	110.22	85.56	61.33	33.78	1.73	1.91
(iii)	Actuarial Gain(-)/ Losses(+)	152.65	215.84	199.00	92.44	413.45	12.59	40.99	9.07
(iv)	Past Service Cost	--	--	--	--	--	--	--	--
(v)	Expected return on plan assets	(92.74)	(86.95)	--	--	--	--	--	--
(vi)	Total(i+ii+iii+iv+v)	490.12	488.84	626.86	397.25	481.81	343.47	47.70	12.30
(vii)	Employee Remuneration and benefits	--	--	--	--	--	--	--	--
	Charged to Profit and Loss Account	490.12	488.84	626.86	397.25	481.81	343.47	47.70	12.30
(viii)	Actual Return on Plan Assets	327.84	--	--	--	--	--	--	--

(g) Other Disclosures : (₹ in Lakh)

Gratuity	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at the end of year	2244.24	1440.96	952.13	618.91	777.41
Fair Value of plan assets as at the end of year	1584.79	1086.94	1,086.94	1019.28	936.63
Surplus / (Deficit) (ii-i)	(659.45)	(354.02)	134.82	400.37	159.22
Experience adjustment on plan liabilities (loss)/gain	(387.75)	(128.88)	(144.90)	360.38	(28.38)
Experience adjustment on plan assets (loss)/gain	235.10	(86.96)	9.60	9.32	3.17
Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at the end of year	1971.48	1442.38	1143.17	650.86	801.19
Surplus/(Deficit)	(1971.48)	(1442.38)	(1143.17)	(650.86)	(801.19)
Experience Adjustment on plan liabilities (loss)/gain	(199.00)	(92.44)	(402.92)	365.99	8.54
Half Pay Leave	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at the end of year	1257.22	775.41	431.94	--	--
Surplus/(Deficit)	(1257.22)	(775.41)	(431.94)	--	--
Experience Adjustment on plan liabilities (loss)/gain	(413.45)	(12.60)	(294.49)	--	--
LTC	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of obligation as at the end of year	63.73	27.73	24.50	--	--
Surplus/(Deficit)	(63.73)	(27.73)	(24.50)	--	--
Experience Adjustment on plan liabilities (loss)/gain	(40.99)	(9.07)	--	--	--

(h) 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.



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

#### NOTE NO. 37 :

During the year 2015-16, 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. 38 : 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) Dr. A.K. Manocha, CMD (ii) Shri M.P. Mall, Director (Finance) (iii) Shri R.N. Kalita, Director (CS) (Ceased w.e.f. 01.03.2016) (iv) Smt. A.K. Brar, Director (T&M) (v) Shri V. Sriram, Director (CS) (Joined w.e.f. 11.03.2016)

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

(₹ in Lakh)

Sr. No.	Nature of Transaction	Joint Venture		Key Management Person	
		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(i)	Investments	250	250	—	—
(ii)	Provision for diminution in investment	250	250	—	—
(iii)	Advance Lease Rent	1741.50	1,741.50	—	—
(iv)	Lease Rent Receivable	269.08	269.08	—	—
(v)	Trade Payables	(1471.71)	(1,471.71)	—	—
(vi)	Lease Rent Income	—	—	—	—
(vii)	Managerial Remuneration	N.A.	N.A.	175.78	116.86

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, 2014-15 & 2015-16 have not been finalized pending dispute with M/s Cox and Kings (India) Ltd.

#### NOTE NO. 39 : 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, 2016 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 Corporation's 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

**THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS****NOTE NO. 40 : 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, 2016 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. 41 :**

Licensee managed static catering stalls, which were awarded by Railways, were transferred to IRCTC. As per directive of Ministry of Railways, IRCTC has advised Licensees of static catering stalls for payment of license fee on GDP basis w. e. f. 1<sup>st</sup> 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. 42 :**

- (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. 43 :**

IRCTC has taken land from Railways on lease basis for setting up of Railneer Plants at Nangloi, Danapur, Palur and Ambarnath 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, Palur and Ambarnath 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. 44 : 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.





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

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.



### SEGMENT REPORTING FOR THE YEAR ENDED ON 31.03.16

AMOUNT (₹ in lakh)

Particulars	Licensee Catering		Railneer		Internet Ticketing		Tourism		Departmental Catering		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Revenue</b>												
Income	7,608.64	6,979.35	240.81	76.97	63,214.67	30,812.47	37,121.68	35,942.52	172.65	85.46	1,08,358.45	73,896.76
Sales/ Excluding Excise Duty and sales tax)			11,606.94	8,026.19					25,383.65	29,556.68	36,990.59	37,582.87
Inter-Segment Sales			1,554.15	1,510.73							1,554.15	1,510.73
Rail Yatri Nivas and Railway Hotels							311.51	294.50			311.51	294.50
Sales/Income( Bedroll & Cleaning)	-	-				-	-	-	-	-		
<b>Total Revenue</b>	<b>7,608.64</b>	<b>6,979.35</b>	<b>11,847.75</b>	<b>8,103.16</b>	<b>63,214.67</b>	<b>30,812.47</b>	<b>37,433.19</b>	<b>36,237.02</b>	<b>25,556.30</b>	<b>29,642.14</b>	<b>1,45,660.55</b>	<b>1,11,774.13</b>
<b>Segment Result</b>	<b>2,071.64</b>	<b>1,198.29</b>	<b>2,097.22</b>	<b>630.52</b>	<b>26,241.96</b>	<b>21,566.20</b>	<b>2,803.86</b>	<b>1,895.13</b>	<b>(6,617.14)</b>	<b>(4,953.00)</b>	<b>26,597.54</b>	<b>20,337.15</b>
Unallocated Corporate Income			-	-							-	-
Unallocated Corporate Expenses			-	-							-	-
<b>Operating Profit</b>	<b>2,071.64</b>	<b>1,198.29</b>	<b>2,097.22</b>	<b>630.52</b>	<b>26,241.96</b>	<b>21,566.20</b>	<b>2,803.86</b>	<b>1,895.13</b>	<b>(6,617.14)</b>	<b>(4,953.00)</b>	<b>26,597.54</b>	<b>20,337.15</b>
Interest Income												
Income Taxes											4,803.63	2,346.81
<b>Profit from Ordinary Activities</b>	<b>2,071.64</b>	<b>1,198.29</b>	<b>2,097.22</b>	<b>630.52</b>	<b>26,241.96</b>	<b>21,566.20</b>	<b>2,803.86</b>	<b>1,895.13</b>	<b>(6,617.14)</b>	<b>(4,953.00)</b>	<b>19,398.45</b>	<b>14,344.10</b>
Prior Period Income(-)/ Expenses	128.51	-	-	-	30.65	-	(51.90)	-	-	-	107.26	-
Bad & Doubtful Debts written off or provided			426.09	88.38		-	-	-	-	597.00	426.09	1,061.30
(Profit)/Loss on sale of assets	0.26	-	0.69	0.47	2.77	6.78	5.57	30.58	(7.68)	182.16	1.61	219.99
Interest Expenses			-	-	-	-	-	-	-	-	-	-
<b>Net Profit</b>	<b>1,942.87</b>	<b>822.37</b>	<b>1,670.43</b>	<b>541.67</b>	<b>26,208.54</b>	<b>21,559.42</b>	<b>2,850.19</b>	<b>1,864.55</b>	<b>(6,609.46)</b>	<b>(5,732.16)</b>	<b>18,863.49</b>	<b>13,062.81</b>
<b>Other Information</b>												
Segment Assets	29,869.94	33,230.36	6,730.56	4,504.61	117,264.10	84,914.82	4,116.09	3,247.35	(18,524.79)	(14,684.88)	1,39,455.90	1,11,212.26
Unallocable Corporate Assets											4,248.98	3,527.14
<b>Total Assets</b>	<b>29,869.94</b>	<b>33,230.36</b>	<b>6,730.56</b>	<b>4,504.61</b>	<b>117,264.10</b>	<b>84,914.82</b>	<b>4,116.09</b>	<b>3,247.35</b>	<b>(18,524.79)</b>	<b>(14,684.88)</b>	<b>1,43,704.88</b>	<b>1,14,739.40</b>
Segment Liabilities	29,867.54	31,027.02	2,592.88	1,675.28	35,800.37	23,208.20	3,890.72	3,258.37	8,190.45	6,889.93	80,341.96	66,058.80
Unallocable Corporate Liabilities											5,046.93	4,255.30
<b>Total Liabilities</b>	<b>29,867.54</b>	<b>31,027.02</b>	<b>2,592.88</b>	<b>1,675.28</b>	<b>35,800.37</b>	<b>23,208.20</b>	<b>3,890.72</b>	<b>3,258.37</b>	<b>8,190.45</b>	<b>6,889.93</b>	<b>85,388.89</b>	<b>70,314.10</b>
Capital Expenditure	-	-	1,422.40	2,261.94	502.68	4,316.19	232.24	220.42	281.26	175.12	2,438.58	6,973.67
Unallocable Corporate Expenditure			-	-								
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>1,422.40</b>	<b>2,261.94</b>	<b>502.68</b>	<b>4,316.19</b>	<b>232.24</b>	<b>220.42</b>	<b>281.26</b>	<b>175.12</b>	<b>2,438.58</b>	<b>6,973.67</b>
Depreciation	10.31	19.38	247.77	208.51	1,269.08	909.88	277.43	662.57	249.34	241.99	2,053.93	2,042.32
Unallocable Corporate Depreciation			-	-								
<b>Total Depreciation.</b>	<b>10.31</b>	<b>19.38</b>	<b>247.77</b>	<b>208.51</b>	<b>1,269.08</b>	<b>909.88</b>	<b>277.43</b>	<b>662.57</b>	<b>249.34</b>	<b>241.99</b>	<b>2,053.93</b>	<b>2,042.32</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.



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

#### NOTE NO. 45 : EARNING PER SHARE

##### Earning Per Share

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

Particulars	2015-16	2014-15
Net Profit used as a numerator (₹ in Lakh)	18,863.49	13,062.81
Number of Equity Shares used as denominator (Nos in Lakh)	200	200
Earnings Per Share-Basic (In ₹)	94.32	65.31
Earnings Per Share-Diluted (In ₹)	94.32	65.31
Face Value Per Share (In ₹)	10.00	10.00

#### NOTE NO. 46 : DIVIDEND

During the year 2015-16, the Board of Directors has recommended final dividend of ₹ 7,545.40 lakh (₹37.73 per share, Face value ₹ 10 per share). The total dividend for the financial year 2015-16 is ₹9,081.49 lakh (including ₹ 1,536.09 lakh dividend distribution tax), ₹ 45.41 per share (Face value ₹ 10 per share)

#### NOTE NO. 47 :

Value of Imports calculated on CIF basis by the Company for year 2015-16 in respect of

Raw Materials	—
Components and Spare parts	—
Capital good	NIL

#### NOTE NO. 48 : EXPENDITURE IN FOREIGN CURRENCY

Expenditure in Foreign Currency :

Nature of Expenses	2015-16	2014-15
Foreign Travelling Expenses Directors	4.82	8.67
Foreign Travelling Expenses-others	26.32	31.28
<b>Total</b>	<b>31.14</b>	<b>39.95</b>

#### NOTE NO. 49 : EARNINGS IN FOREIGN EXCHANGE

Earnings in Foreign Exchange is for year 2015-16 in respect of

Particulars	2015-16	2014-15
Export of goods calculated on F.O.B basis	—	—
Royalty, knowhow, professional and consultation fees	—	—
Interest and Dividend	—	—
Other Income	3,522.72	2,188.53

#### NOTE NO. 50 : LEASES

The Company's leasing arrangements in respect of its various offices are in the nature of operating lease. The rentals for the same are being charged to Statement of Profit & Loss on the basis of lease agreements. The total amount charged to statement of Profit & Loss is ₹ 1,044.82 lakh (previous year ₹ 1,030.31 lakh).

However, in under noted cases leases have expired and are awaiting renewals:-

(a) Office space of 2,300 Sq.ft 31.03.2008 at Patna.



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

#### NOTE NO. 51 :

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

- Railway shall progressively take over management of all mobile catering services including base kitchen and mobile catering through departmental catering in a phased manner.
- 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. 52 : 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 ₹ 6,761.05 Lakh for the F.Y. 2015-16. The Deferred Tax asset for the F.Y 2015-16 amounted to ₹ 7,692.90 Lakh & Deferred Tax liabilities for the F.Y 2015-16 amounted to ₹ 931.85 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. 53 : IHHA CONFERENCE

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

The balance amount of Nil (previous year ₹ 162.40 Lakh) being payable to Railways is shown as current liabilities in the Balance Sheet. IRCTC has recovered their charges.

#### NOTE NO. 54 : GOVERNMENT CAPITAL SUBSIDY

During the F.Y 2009-10, the Company acquired a Pan India Luxury Tourist Train. The total cost of 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. 55 : DUTY CREDIT LICENSE

During F.Y.2015-16, the duty credit license has been utilized for an amount of ₹ 4.14 lakh (previous year ₹ 2.57 lakh) against payment of duty under “Served from India Scheme”.

#### NOTE NO. 56 : CSR EXPENDITURE

- Gross amount required to be spent by the Company during the year is ₹ 290.67 lakh.
- Details of amount spent during the year :-

(₹ in Lakh)				
Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	295.12	—	—
(ii)	On purchase other than (i) above	104.65	—	—

The CSR trust was operative for the purpose of incurring CSR expenditure during F.Y.2014-15 which was dissolved in March, 2015. The unutilized funds of ₹ 133.83 lakh had been transferred by the trust to the Company

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

which was shown as advance received under current liabilities as on 31<sup>st</sup> March, 2015. During F.Y. 2015-16, the Corporation has spent ₹ 399.77 lakh on Corporate Social Responsibility against the budget of ₹ 290.67 lakh in accordance with the provisions of sub-section (5)(i) of section 135 of Companies Act, 2013. The excess expenditure amounting ₹ 109.10 lakh has been adjusted against the said advance of ₹ 133.83 lakh. The balance amount of ₹ 24.73 lakh is shown as advance for incurring the CSR expenditure in future.

**NOTE NO. 57 : INVENTORIES****Standardization of Valuation**

Work in progress comprise of pre-inspection manufactured bottles. Up to previous financial year the same was shown as finished goods. Further, with effect from current financial year, the Company standardized the valuation of inventory across the Railneer plants to first in first out basis as against weighted average basis followed by some units.

**NOTE NO. 58 : CASH & CASH EQUIVALENTS**

IRCTC has availed overdraft facility for ₹ 100 crore from State Bank of India against fixed deposit of ₹120 crore. The OD facility shall be availed @0.25% higher than the rate on fixed deposit for the period for which OD is being availed. Fixed deposits to that extent are under lien.

**NOTE NO. 59 : RAILWAY SHARE**

License fees/service charges are shown at gross value and corresponding share paid/payable to Indian Railways have been shown as expense under note no.24, 25 & 26.

**NOTE NO. 60 : CAPITALIZATION OF CROCKERY, CUTLERY ETC.****Change in Accounting Policy**

The crockery/cutlery/utensils, etc. were initially capitalized as fixed assets under office equipments and depreciated over a period of 5 years. With effect from current financial year the same was treated as revenue expense. As a result such items purchased during the year amounting to ₹ 13.46 lakh were booked as expense along with ₹ 14.20 lakh, being the depreciated value as at 1<sup>st</sup> April, 2015.

**NOTE NO. 61 : REVENUE SHARE ON INTERNET TICKETING**

The request of the company for waiver of revenue sharing against Internet Ticketing service charges with Indian Railway (80:20 between IRCTC : Indian Railways) was not accepted by the Railway Board and the liability was accepted by the Company in the AGM held on 18<sup>th</sup> Sept, 2015. As represented upon crystallization during the year sum of ₹ 15.67 crore was provided/paid during the F.Y. 2015-16.

**NOTE NO. 62 : PROVISION AGAINST SEVENTH PAY COMMISSION**

The Company has made a provision of ₹ 41.57 lakh against differential amount payable to employees who fall under Central Dearness Allowance (CDA) pattern.

**NOTE NO. 63 : CAPITAL ADVANCES FOR FLATS & LAND**

The following amounts were paid for allotment of flats which are still pending as on date:-

- ₹ 211.43 lakh paid to Indian Railways in the year 2002-03/2006-07
- ₹ 342.00 lakh to RVNL in the F.Y. 2010-11.

**NOTE NO. 64 : ADVANCE PAID TO CRIS**

The advance of ₹ 6.68 crore was paid to Central Railway Information System (CRIS) for procurement of dedicated gateway, is yet to be capitalized on account of complete commissioning and provision of progress report by CRIS.



**THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS****NOTE NO. 65 : DISCLOSURE WITH REGARD TO DISCONTINUED OPERATION**

Up to F.Y. 2014-15, the profit/(loss) from discontinued operations was disclosed separately which includes the revenue & expenditure from licensee operated catering business excluding food plazas & food courts which was taken over by railways in accordance with the Catering Policy-2010 of the Railway Board. However, the Corporation is operating some temporary part of the licensee business as per the directions received from the Railways from time to time. Due to this, revenue & expenditure are reflecting in the accounts from this activity. Further, as per the Railway Budget-2016, the catering services are to be provided by IRCTC. Considering above facts, the said licensee catering business is no longer discontinued operations and necessary changes are being carried out in the annual financial statements for F.Y.2015-16 to eliminate the profit/(loss) from discontinued operations.

**NOTE NO. 66 :**

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

**For Serva Associates**  
**Chartered Accountants**  
**Firm Reg. No. : 000272N**

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

Sd/-  
**CA. Amarjit Verma**  
**Partner**  
**M.No: 083520**

Sd/-  
**Dr. Arun Kumar Manocha**  
**Chairman & Managing Director**  
**DIN: 06976502**

Sd/-  
**Mahendra Pratap Mall**  
**Director (Finance)**  
**DIN:02316235**

Sd/-  
**Suman Kalra**  
**Company Secretary**  
**M.No. - A17284**

**Place: New Delhi**  
**Date : 17<sup>th</sup> August, 2016**



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016.**

The preparation of financial statements of Indian Railway Catering and Tourism Corporation Limited, New Delhi for the year ended 31<sup>st</sup> March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17<sup>th</sup> August 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Indian Railway Catering and Tourism Corporation Limited for the year ended 31<sup>st</sup> March 2016. 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 personnel and a selective examination of some of the accounting records. 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 auditors' report.

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

Sd/-

**(Meenakshi Mishra)**

Director General of Audit  
Railway Commercial, New Delhi

Place : New Delhi

Date : 15<sup>th</sup> September, 2016



इंडियन रेलवे कैटरिंग एंड टूरिज्म कॉर्पोरेशन लिमिटेड  
Indian Railway Catering and Tourism Corporation Limited

फॉर्म नं./S. No. 846

दिनांक: 01/12/16

गाड़ी संख्या / Train No.: 12752

कोच नं. / Coach No.: H1

सीट नं. / Seat No.: 5

पैसेंजर का नाम / Name of Passenger (in Capital letters): श्री. अश्विनी (जल संसाधन मंत्री)

पता / Address: 6 अक्षर रोड (नया दिल्ली)

फोन / Phone No.: 01123014786 / Email:

सूचना/विवरण का विवरण / Details of Complaint/Suggestions: साना बहुत ही अच्छा था और सर्विस भी बहुत अच्छी थी क्योंकि वातावरण भी बहुत अच्छा था।

Complainant's Signature: [Signature]

Witness's Signature: [Signature]

Complainant's Name: अश्विनी

Witness's Name: [Name]

Complainant's Address: [Address]

Witness's Address: [Address]

Complainant's Phone: [Phone]

Witness's Phone: [Phone]

Complainant's Email: [Email]

Witness's Email: [Email]

Complainant's Remarks: [Remarks]

Witness's Remarks: [Remarks]

Original copy: For IRCTC Office Use

खाना बहुत ही अच्छा था और सर्विस भी बहुत अच्छी थी स्टाफ का व्यवहार भी बहुत अच्छा था।

उमा भारती  
जल संसाधन मंत्री

इंडियन रेलवे कैटरिंग एंड टूरिज्म कॉर्पोरेशन लिमिटेड  
Indian Railway Catering and Tourism Corporation Limited

फॉर्म नं./S. No. 844

दिनांक: 23/12/16

गाड़ी संख्या / Train No.: 12754

कोच नं. / Coach No.: H1

सीट नं. / Seat No.: 5

पैसेंजर का नाम / Name of Passenger (in Capital letters): श्री. नम्रता भारती

पता / Address: 18-B, Kirti Nagar, Connaught Place, New Delhi

फोन / Phone No.: 9611634888 / Email: namrata.bh@rediffmail.com

सूचना/विवरण का विवरण / Details of Complaint/Suggestions: I have a complaint regarding the service provided by IRCTC staff in the train. The service was not good and the staff was not helpful. I am writing this complaint to get the service improved.

Complainant's Signature: [Signature]

Witness's Signature: [Signature]

Complainant's Name: नम्रता भारती

Witness's Name: [Name]

Complainant's Address: [Address]

Witness's Address: [Address]

Complainant's Phone: [Phone]

Witness's Phone: [Phone]

Complainant's Email: [Email]

Witness's Email: [Email]

Complainant's Remarks: [Remarks]

Witness's Remarks: [Remarks]

Original copy: For IRCTC Office Use

Warm welcome & Excellant service from IRCTC staff in AK Rajdhani specially pantry Manager A.S. Mani Dominic for good hospitality & wishing them a good future

Namrata Bhartia  
HT Media Ltd.



**इंडियन रेलवे कटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड**

(भारत सरकार का उद्यम—मिनी रत्न श्रेणी-I)

**Indian Railway Catering and Tourism Corporation Ltd.**

(A Govt. of India Enterprise—Mini Ratna Category-I)

**पंजीकृत एवं कॉरपोरेट कार्यालय**

11वीं मंजिल, बी-148, स्टेट्समैन हाउस, बाराखम्बा रोड, नई दिल्ली-110001

दूरभाष : 011-23311263-64, फैक्स : 011-23311259

सीआईएन : U74899DL1999GOI101707

**Regd. & Corp. Office :**

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

Tel.: 011-23311263-64, Fax: 011-23311259

CIN : U74899DL1999GOI101707