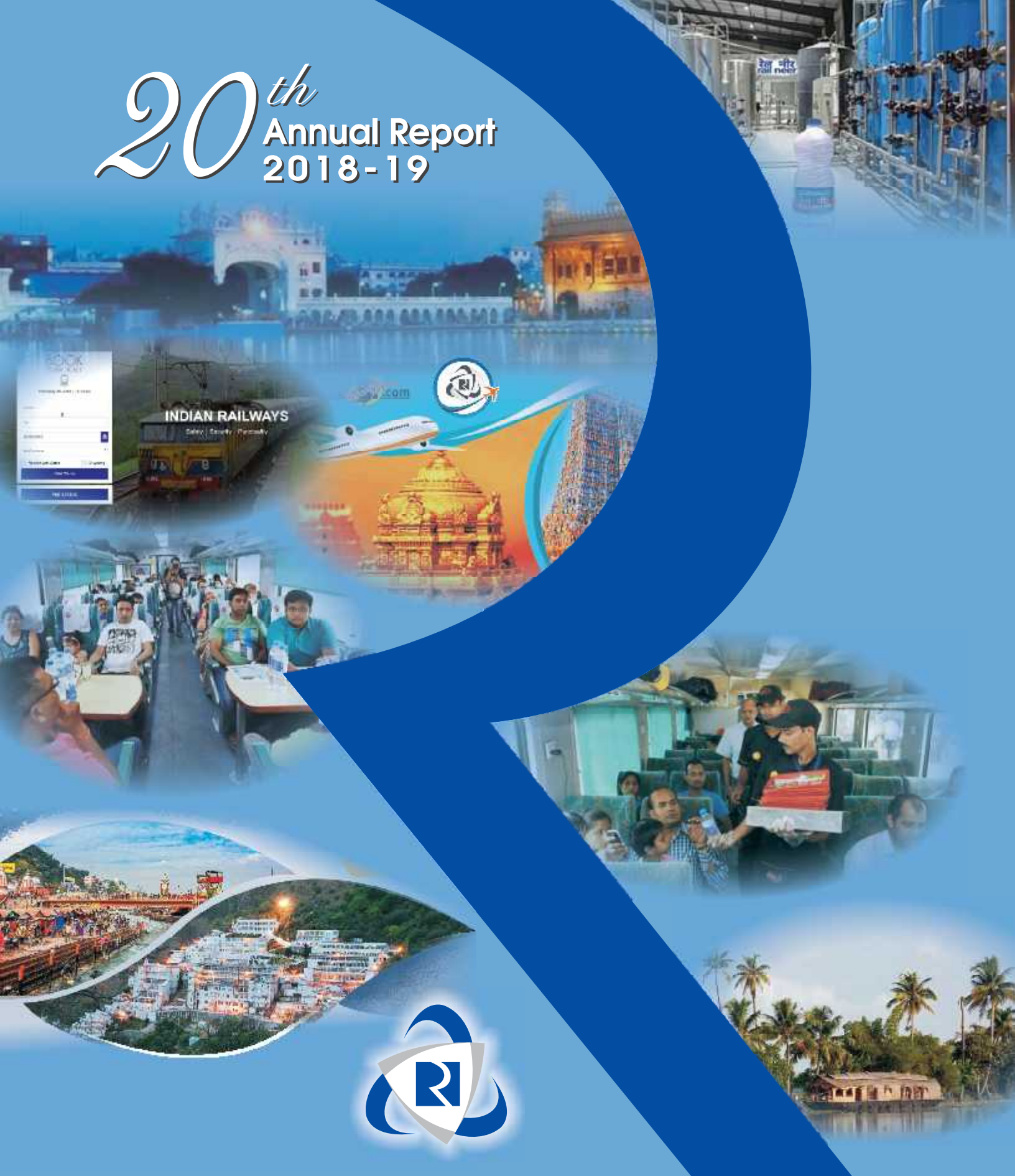


# 20<sup>th</sup> Annual Report 2018-19



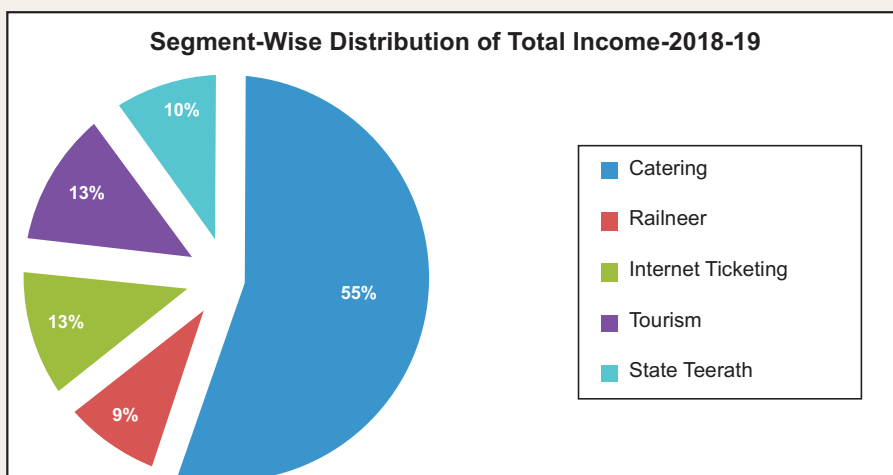
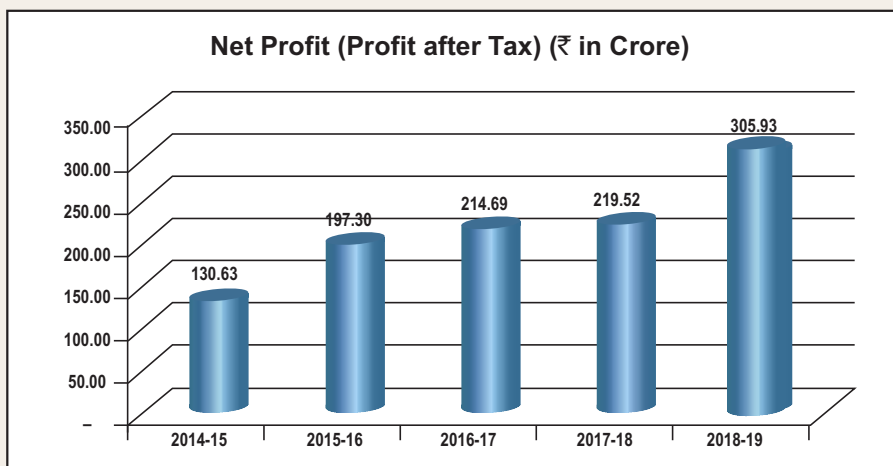
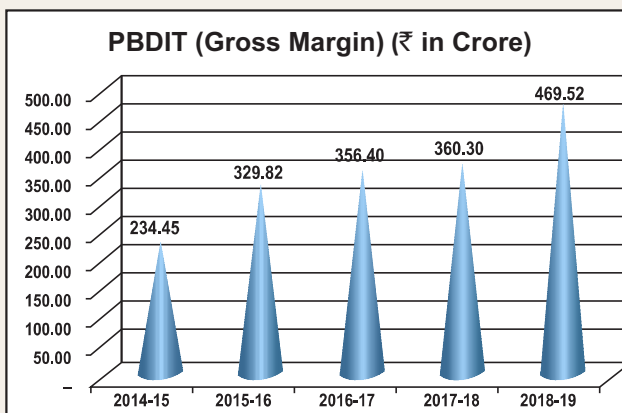
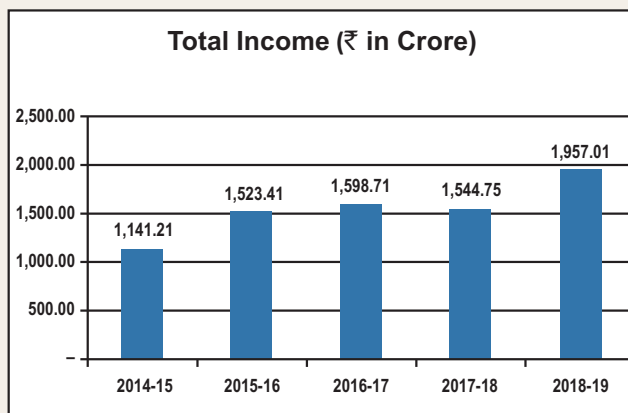
**Indian Railway Catering and Tourism Corporation Ltd.**  
(A Govt. of India Enterprise–Mini Ratna Category-I)

## 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)



**Shri M.P. Mall**  
Chairman & Managing Director



**Smt. Rajni Hasija**  
Director (Tourism & Marketing)  
w.e.f. 18.05.2018 with additional Charge of Director  
(Catering Services) w.e.f. 02.07.2019)



**Shri Narendra**  
ED/F (PPP), Railway Board  
with additional Charge of Director (Finance)  
(w.e.f. 19.08.2019)



**Shri Neeraj Sharma**  
Executive Director (PM),  
Railway Board (w.e.f. 12.07.2018)



**Smt. Smita Rawat**  
Executive Director (NFR & T),  
Railway Board



**Dr. Rabi Narayan Bohidar**  
Independent Director



**Dr. Dheeraj Sharma**  
Independent Director



**Smt. Kanak Aggarwal**  
Independent Director



**Prof. Sachin Chaturvedi**  
Independent Director



**Shri C.R. Sundaramurti**  
Independent Director



**Ms. Sarita Deshpande**  
Independent Director





**20<sup>th</sup>  
Annual General Meeting of  
IRCTC**





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

Annual Report  
2018-2019

**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**



*20<sup>th</sup>*  
**Annual Report**  
**2018-19**

**INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**  
**(A Government of India Enterprise-Mini Ratna Category-I)****CONTENTS**

<b>Documents</b>	<b>Page Nos.</b>
Ten years Financial Highlights	1
Chairman's Speech	2-4
Directors' Report	5-34
Appendix (s) to Directors' Report	
(i) Appendix-A: Management Discussion and Analysis Report	35-44
(ii) Appendix -B: Report on Corporate Governance	45-61
(iii) Appendix -C: Report on CSR & Sustainability	62-69
(iv) Appendix -D: Extract of Annual Return (Form No. MGT-9)	70-76
(v) Appendix-E: Secretarial Audit Report for the financial year ended March 31, 2019 (Form MR- 3)	77-79
(vi) Appendix -F: Addendum to Directors' Report	80-84
Independent Auditor's Report & Annexure to Report	85-93
Balance Sheet as on 31 <sup>st</sup> March, 2019	94
Profit & Loss A/c for the year ended on 31 <sup>st</sup> March, 2019	95
Cash Flow Statement for the year ended on 31 <sup>st</sup> March, 2019	96
Significant Accounting Policies and Notes to Accounts	99-110
Notes Annexed to Balance Sheet and Profit & loss A/c	111-146
Comments of Comptroller & Auditor General of India	147



## BOARD OF DIRECTORS

Shri M. P. Mall, Chairman & Managing Director

Smt. Rajni Hasija, Director (Tourism & Marketing)  
w.e.f. 18.05.2018 with additional Charge of Director  
(Catering Services) w.e.f. 02.07.2019

Shri V. Sriram, Director (Catering Services)  
(till 30.06.2019)

Shri Narendra, ED/F (PPP), Railway Board  
with additional Charge of Director (Finance) w.e.f.  
19.08.2019)

Mr. Neeraj Sharma, ED (PM), Railway Board  
(w.e.f. 12.07.2018)

Mrs. Smita Rawat, ED(NFR & T), Railway Board

Dr. Rabi Narayan Bohidar, Independent Director

Dr. Dheeraj Sharma, Independent Director

Mrs. Kanak Aggarwal, Independent Director

Prof. Sachin Chaturvedi, Independent Director

Mr. C.R. Sundaramurti, Independent Director

Ms. Sarita Deshpande, Independent Director

## SUPPLEMENTARY INFORMATION

### CFO

Mr. Ajai Srivastava

### Company Secretary

Mrs. Suman Kalra

### Statutory Auditors

M/s Serva Associates, Chartered Accountant,  
1011-1014, 10<sup>th</sup> Floor, RG Trade Tower,  
Netaji Subhash Place, Pitam Pura, Delhi -110034

### Internal Auditors

M/s K.S. Choudhary & Co., Chartered Accountant  
212, M.J. Shopping Centre, 3, Veer Savarkar Block,  
Shakarpur, Delhi-110092

### 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
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. Federal Bank
21. Karnataka Bank
22. IndusInd Bank
23. Kotak Mahindra
24. Central Bank of India
25. Bank of Maharashtra
26. Allahabad Bank
27. Karur Vysya Bank
28. Indian Overseas Bank
29. RBL Bank Ltd
30. South Indian Bank
31. IDFC First Bank
32. AU Small Finance 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, Khagaul,  
Danapur, Patna- 801105

### **Railneer Plant, Palur**

Palur Railway Station Village And Post Palur,  
Taluk- Chengalpattu, District- Kanchipuram  
(Tamil Nadu) - 603101

### **Railneer Plant, Ambernath**

Near GIP Dam, 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

### **Railneer Plant, Bilaspur**

Plot No. 22/23, Sector-B, Sirgitti Industrial Area, Distt.  
Bilaspur, Chattisgarh-495004

## ZONAL OFFICES

### **North Zone**

Rail Yatri Niwas, Ground Floor,  
New Delhi Railway Station,  
Ajmeri Gate Side, New Delhi-110002

### **East Zone**

Old Koilaghat Building (Ground Floor),  
3, Koilaghat Street, Kolkata-700001

### **West Zone**

2<sup>nd</sup> Floor, New Administrative Building,  
Central Railway, CST, Mumbai-400001

### **South Zone**

6A, The Rain Tree Place,  
9, MC Nicolas Road, Chetpet,  
Chennai-600031

### **South Central Zone**

3<sup>rd</sup> Floor, Oxford Plaza, Sarojini Devi Road,  
Secunderabad, Andhra Pradesh-500003





### TEN YEARS' FINANCIAL HIGHLIGHTS

Sr. No.	Particulars	(₹ in crore)									
		2009 - 10	2010-11	2011-12*	2012-13*	2013-14*	2014-15*	2015-16**	2016-17**	2017-18**	2018-19**
1	Total Income	721.97	764.93	554.11	719.69	954.70	1,141.21	1,523.41	1598.71	1544.75	1957.01
2	Expenditure(including increase/decrease in stock)	614.63	620.69	462.83	611.24	810.52	906.76	1,193.58	1,242.31	1,184.45	1,487.49
3	Operating Margin	107.34	144.24	91.28	108.45	144.18	234.45	329.82	356.40	360.30	469.52
4	Interest Expenses	0.03	0.30	—	—	—	—	1.81	2.54	2.91	2.35
5	Depreciation	12.55	14.15	14.74	16.04	16.77	20.42	21.22	22.41	23.66	28.64
6	Profit before Tax	94.76	129.79	76.54	92.41	127.41	214.03	306.79	331.45	338.98	475.93
7	Profit after tax	63.05	60.79	48.54	58.84	72.01	130.63	197.30	214.69	219.52	305.93
8	Dividend Declared	12.61	12.16	9.71	11.77	14.40	26.13	75.45	84.68	88.81	122.37
9	Foreign Projects Reserve	—	—	—	—	—	—	—	—	—	—
10	Transfer to General Reserve	45.00	45.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
11	Other Reserves	—	2.00	—	—	—	—	—	—	—	—
12	Reserve and Surplus	142.76	191.41	226.70	271.77	326.92	424.25	680.57	738.34	905.37	907.02
13	Fixed Assets(Gross Block)	126.84	135.18	178.76	203.12	213.52	276.84	310.69	337.62	336.63	356.35
14	Inventories	7.79	6.21	5.45	9.08	9.53	9.54	8.26	6.58	7.41	7.89
15	Foreign exchange earnings	13.48	13.27	12.53	11.06	11.80	21.89	35.23	47.51	37.59	33.54
16	Share Capital	20.00	20.00	20.00	20.00	20.00	20.00	20.00	40.00	40.00	160.00
17	Capital Employed	151.72	195.05	204.97	210.67	320.35	456.74	768.33	853.19	948.68	986.27
18	Government Investment	—	—	—	—	—	—	—	—	—	—
19	Net Worth	162.76	211.41	246.70	291.77	346.92	444.25	700.57	778.34	945.37	1,067.02
20	Profit before tax to Capital employed (in%)	62.46	66.54	37.34	43.86	39.77	46.86	39.93	38.85	35.73	48.26
21	Operating Margin to capital employed (in %)	70.75	73.95	44.53	51.48	45.01	51.33	42.93	41.77	37.98	47.61
22	Profit after tax to share capital (in%)	315.25	303.95	242.70	294.19	360.05	653.15	986.48	536.73	548.80	191.21
23	Expenditure to income (in %)	85.13	81.14	83.53	84.93	84.90	79.46	78.35	77.71	76.68	76.01
24	Number of employees	2,645	1,934	1,762	1,725	1,672	1,511	1,483	1,494	1,464	1,509
25	Income per employee	0.27	0.40	0.31	0.42	0.57	0.76	1.03	1.07	1.06	1.30
26	Foreign exchange earning per employee	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.03	0.03	0.02
27	Current Ratio	1.13	1.22	1.23	1.20	1.45	1.55	1.96	1.80	1.60	1.55
28	Debt/ Equity Ratio	—	—	—	—	—	—	—	—	—	—
29	Investments	2.50	—	—	—	—	—	—	—	—	—

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

\*\* Figures are as per IND-AS Financial Statements



### Chairman's Speech



Dear Shareholders,

It gives me great pleasure to welcome you all to the 20<sup>th</sup> Annual General Meeting of your Company. Your Company has evolved over these two decades by completing 20 glorious years since its incorporation in September, 1999, to be recognized as the only PSU providing one window solution to all Hospitality Services. On behalf of the IRCTC Board of Directors, I thank you for joining us today. Your presence is indeed a true testimony to your involvement with, and support for the Company.

Your Company witnessed multi-dimensional growth and achieved path-breaking success during the year under review. It is my proud privilege to once again present to you the outstanding performance of your Company. The Company's financial statements for FY 2018-19, along with the Directors', Auditors' report and C&AG report, have been circulated to you. With your permission, I take them as read.

#### Financial Highlights

I am pleased to share the achievement of following milestones achieved by your company in Fiscal 2019:

- Turnover of the Company increased to ₹ 1,868 cr (approx.) in 2018-19 as against ₹ 1,471 (approx.) cr in 2017-18, with an increase of 26.9%.
- Profit before Tax (PBT) of the Company was registered at ₹ 476 cr (approx.) as against ₹ 339 cr (approx.) in previous year with an increase of 40.40%.
- Your Company issued bonus shares in the ratio of 3:1 i.e three shares for every one share held to the existing shareholders , subsequent to increase in the Authorised share capital from ₹ 50 cr to ₹ 250 cr.
- The Company recommended highest ever dividend of ₹ 122.37 cr. (including interim dividend of ₹ 60 cr already paid to Govt. of India) for FY 2018-19 in compliance of DIPAM's guidelines on capital restructuring.
- Your Company has received '**NIL**' comments from the C& AG of India during the supplementary audit on audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2019.

#### Listing of shares/IPO

Subsequent to the announcement of the listing of shares of IRCTC by the Government of India, the process of disinvestment of approx. 12.50% of paid-up share capital by the President of India has commenced and the Company has filed its Draft Red Herring Prospectus to SEBI on 21<sup>st</sup> August, 2019.

#### MoU performance

The Company expects to secure an "**Excellent**" rating by Department of Public Enterprises for the year 2018-19 on the basis of self evaluation done for the achievements of the parameters committed.

I wish to take this opportunity to brief the members present about the segment-wise performance of the Company during 2018-19.

#### 1. Catering & Hospitality:

As on 31<sup>st</sup> March 2019, IRCTC managed on-board catering services in around 300 trains including Rajdhani, Shatabdi, Duronto, Tejas, Gatiman, and Vande Bharat express. The Company commissioned 16 Food Plazas and 49 Fast Food Units in FY 2019, thereby managing 254 operational units in all throughout Indian Railways. Your Company scaled new heights under E-catering and the average daily bookings for FY – 2018-19 stood at 11,859 meals and is presently, averaging at 17,600 meals per day .

Your company also initiated the process of re-designing of pantry cars with modern equipments and draft design has been submitted to Rail Coach Factory Kapurthala.

By applying Artificial Intelligence (AI) in its operations, your Company has allowed passengers to live stream kitchens to see how food served on trains is made. Other measures in this direction included, Menu on Rails app, PoS (Point of Sale) machines etc.



Your Company's revenue from Catering increased to ₹ 1065 cr (approx.) against ₹ 729 cr (approx.) in 2017-18.

### 2. Rail Neer:

The total production of Rail Neer at Nangloi, Danapur, Palur, Ambernath, Amethi, Parassala & Bilaspur plants was 21.50 crore bottles against total production of 20.20 crore bottles in previous year.

In addition to present operational plants located at Delhi, Patna, Palur, Ambernath, Amethi, Parassala and Bilaspur, the Company set up new four plants at Hapur, Sanand, Nagpur and Bhopal in FY 2018-19. The Company plans to set up railneer plants at Bhusawal, Jagi Road, Jabalpur and Sankrail in FY 2019-20.

Till 31<sup>st</sup> March 2019, your Company has cumulatively installed 1956 Water Vending Machines. Out of 1194 stations of category of A1, A, B and C, a total of 619 stations have been provided with WVMS, covering around 97% of A-1 category stations.

The revenue from Railneer segment in 2018-19 was registered at ₹ 180 cr (approx.) as against ₹ 167 cr (approx.) in 2017-18.

### 3. Travel & Tourism:

Your Company, today, has become one of the leading travel and tourism companies in the market catering to the needs of diverse tourist segments. Apart from rail tourism, the Company has diversified into various other tourism businesses for sustaining in the immensely competitive tourism market viz., International and Domestic Air packages, Land Tour Packages, Hotel bookings, Customised and LTC tours etc. IRCTC has its exclusive tourism portal, [www.irctctourism.com](http://www.irctctourism.com) for showcasing and booking of various tourism products in a single space.

In addition to Domestic and inbound and outbound tours, this year, your Company also focussed on Theme Based Tourist trains, such as Shri Ramayana Yatra Tourist train, Unity Express, Samanta Express and Temple Ram Sethu Express. Your Company is also making its presence feel in the area of MICE and has organised various prestigious events during the year including "Sameeksha Sanghosti, 2019" Mission Raftaar 2022" for Ministry of Railways.

The revenue from Tourism segment in 2018-19 (including State Teerath segment) was registered at ₹ 453 cr (approx.) as against ₹ 399 cr. (approx.) in 2017-18.

### 4. Internet Ticketing

During 2018-19, IRCTC's e-ticketing service accounted for 70% of reserved tickets on Indian Railways booked online, leaving behind several high profile e-commerce sites worldwide. On an average, more than 7.78 lakh tickets were sold daily through IRCTC's website during 2018-19.

For Fiscal 19, Ministry of Railways reimbursed the annual expenditure of ₹ 88 crores incurred on the ticketing system on web site, marketing, operation and after sale services by IRCTC. Subsequent to the discontinuance of annual reimbursement in lieu of Service charge from FY 2019-20 onwards, as advised by Ministry of Railways, your Company has proposed to restore the Service Charge as Convenience Fee. The restored Convenience Fee would be reduced to ₹ 15 for Non AC class and ₹ 30 for AC Class and shall be effective from 1<sup>st</sup> September 2019. A communication in this regard has been made to Ministry of Railways.

The new initiatives taken by your company under this segment during the year, included E-ticketing Service for Paramilitary Forces, National Security Guards (NSG) and Central Reserve Police Force (CRPF); Push Notifications; ASK Disha (Chat Bot) under Artificial Intelligence etc.

The revenue from Internet Ticketing segment in 2018-19 was registered at ₹ 239 cr (approx.) as against ₹ 204 cr. (approx.) in 2017-18.

### 5. Corporate Governance and Corporate Social Responsibility

At IRCTC, the goal of corporate governance is to ensure fairness for every stakeholder – our customers, investors, vendor-partners and the community. I am pleased to share that your Company received "Excellent" rating on compliance of Corporate Governance for the year 2018-19 by Department of Public Enterprises.



As stipulated in the guidelines issued by Department of Public Enterprises, a separate section on Corporate Governance has been added to the Directors' Report and a Certificate regarding compliance of conditions of Corporate Governance has been obtained from a Practicing Company Secretary in addition to Secretarial audit.

The CSR Policy of the Company is aligned with the national focus on inclusive growth, DPE Guidelines on CSR and the Companies Act 2013. IRCTC has undertaken a range of CSR activities this year, with special emphasis on Education and Healthcare. I am happy to report that Company was able to spend the CSR Budget for year 2018-19 amounting to ₹ 6.54 cr fully and there was no unspent amount.

### 6. Acknowledgements

Before I conclude, I would like to extend my sincere thanks to you - the esteemed shareholders, for your confidence and valuable support to me, to the Board of Directors and to the Company as a whole. I am confident that your continued support shall be available to us in the same way that you have stood by us over the years.

I am grateful to the agencies/ institutions from Government of India particularly Ministry of Railways, Ministry of Tourism, Department of Public Enterprises and Zonal Railways, Statutory Auditors, Secretarial Auditor, Cost Auditors, Comptroller and Auditor General of India, all State Governments, departments and our partners for their help and guidance.

I thank all my colleagues on the Board for helping me in creating good governance culture across the organization and fulfilling the responsibilities of Board. I would like to place on record the sincerity, hard work, commitment and dedication of the entire IRCTC team. I seek your continued support in making the Company more sustainable and resilient to external challenges. I take this opportunity to thank all the other predecessors for bringing and providing invaluable support.

Thank you

Sd/-

(M.P. Mall)

Chairman & Managing Director

DIN : 02316235

Place: New Delhi

Dated: 28<sup>th</sup> August, 2019

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



### DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 20<sup>th</sup> Annual Report on the operations and results of your Company together with the audited financial statements, Auditors' Report and review of financial statements by the Comptroller and Auditor General of India (CAG) for the financial year ended 31<sup>st</sup> March, 2019. The detailed financial and operational performance of the Company is produced in the report.

#### 1. FINANCIAL PERFORMANCE

The key highlights of the financial performance of the Company during F.Y. 2018-19 along with the corresponding performance in F.Y. 2017-18 are mentioned below:

(₹ in Crores)

Particulars	F.Y. 2018-19	F.Y. 2017-18	% age Increase/ (Decrease)
Turnover	1,868.23	1,471.17	26.99
Total Income	1,957.01	1,544.75	26.69
Profit before tax	475.93	338.98	40.40
Provision for Tax	170.00	119.46	42.31
Profit after tax	305.93	219.52	39.36
Transferred to General Reserve	35.00	35.00	-
Dividend (including Interim dividend of ₹ 60 cr for 2018-19 and nil for 2017-18)	122.37	88.81	37.78
Reserves & Surplus	907.02	905.37	0.18
Net Worth	1,067.02	945.37	12.87
Earnings Per Share (₹)	19.12	13.72	39.36

#### a. Capital Structure – Increase in Authorised and paid-up share capital

During 2018-19, the authorised share capital of the Company was increased to ₹250 crores from ₹50 crores subsequent to approvals of shareholders and Ministry of Railways.

The paid up share capital of the Company also increased to ₹160 crores from ₹40 crores by way of issue of bonus shares in the ratio of 3:1 as detailed in the para below. As on 31<sup>st</sup> March, 2019, the Authorised share capital and paid-up share capital of the Company was ₹250 crores and ₹160 crores respectively. President of India (Government of India) through Ministry of Railways and its nominees hold the entire paid up share capital of the Company.

#### b. Bonus Issue:

The Board of Directors in its 97<sup>th</sup> meeting held on 28<sup>th</sup> February 2019 recommended the proposal of issuance of fully paid bonus shares in the ratio of 3:1 i.e., three equity shares for every one share by capitalisation of reserves amounting to ₹120 crores, subject to approval of shareholders and Ministry of Railways.

Subsequent to receipt of due approvals, the Board of Directors allotted bonus shares to the shareholders in the above-mentioned ratio in its 98<sup>th</sup> meeting held on 29<sup>th</sup> March, 2019. As a result, the paid up share capital of the Company increased from ₹40 crores to ₹160 crores.

#### c. Dividend

As per the guidelines issued by Department of Investment and Public Asset Management (DIIPAM) dated 27<sup>th</sup> May, 2016, the minimum dividend to be paid by CPSEs for the year should be at least 5% of net worth or 30% of profit after tax, whichever is higher.

Accordingly, the Board of Directors (BoD) had declared an interim dividend of ₹60 crore (₹15/- per share) i.e. 150 % on the paid-up share capital of ₹40 crore. The said interim dividend was paid to Government of India in January 2019. The paid-up share capital of the Company was increased to ₹160





crores from ₹40 crores in March 2019, by way of allotment of bonus shares in ratio of 3:1. The BoD has recommended a final dividend (in addition to interim dividend) of ₹62.37 crore (approx.) (₹3.89/- per share) i.e. 38.98 % on the paid-up share capital of ₹160 crore. With this, the total dividend for the year 2018-19 would sum up to ₹122.37 crore (approx.), which is 76.48 % of paid-up share capital, 40% of the post-tax profits for 2018-19 and 11.47% of net worth as on 31<sup>st</sup> March 2019.

The Final Dividend would be paid to Ministry of Finance, subject to approval of the Shareholders in the ensuing Annual General Meeting.

**d. Contribution to Revenue of Ministry of Railways**

The Company also contributes by way of revenue share to Ministry of Railways (MoR) and the total share of such contribution was ₹316.38 crores during the year as against ₹188.15 crores during the previous year. Contribution to the revenue of (MoR) comprises of Haulage Charges, Concession fee, License fee, User Charges and Dividend.

**e. Initial Public Offer/Listing of shares**

In the Union Budget 2017, your Company's shares were announced to be listed on the Stock Exchanges. Accordingly, for the proposed initial public offering of equity shares of the Company, DIPAM had appointed M/s. Crawford Bayley & Co. as Legal Advisors; IDBI Capital Markets & Securities Limited, SBI Capital Markets Limited, and Yes Securities Limited as Book Running Lead Managers; and; M/s Alankit Assignment Limited as Registrar to Issue. The procedural formalities for listing of shares have initiated again in June, 2019 and the Company is in process of filing of Draft Red Herring Prospectus with SEBI.

In view of upcoming IPO, the Company has entered into agreement with both the depositories, NSDL and CDSL. The account of "President of India" has been opened into dematerialized form and the procedure for opening the demat account of nominee shareholders, holding the shares for and on behalf of President of India is in process.

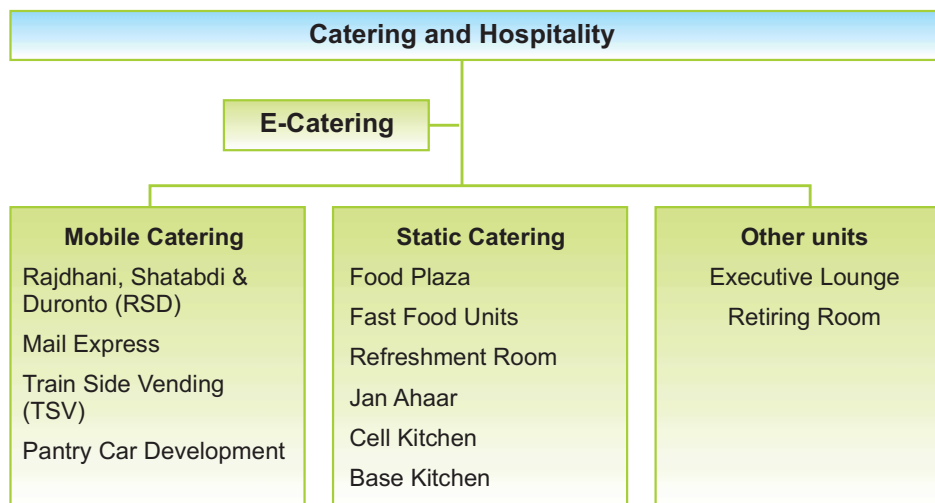
**2. OPERATIONAL PERFORMANCE**

The segment wise operational performance of the Company during 2018-19 is detailed below:

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

**a. CATERING & HOSPITALITY:**

The Catering and Hospitality segment of IRCTC is segregated as produced below:





### 1. Railway Catering

#### i. **Mobile Catering**

As on 31<sup>st</sup> March 2019, IRCTC managed on-board catering services in 19 Rajdhani, 2 Tejas, 1 Gatiman, 1 Vande Bharat, 22 Shatabdis, 19 Durontos and 296 Mail/Express trains. During 2018-19, Ministry of Railways introduced 1 Tejas, 1 Vande Bharat, 1 Rajdhani and 13 Mail/express trains.

As per Catering Policy-2017, IRCTC would unbundle catering services by creating a distinction primarily between food preparation and food distribution. IRCTC shall be setting up new kitchens and upgrade existing ones to prepare the food under its own supervision. These kitchens would be provided with modern cooking devices and automatic tray sealing packaging machines. The details of proposed new/upgraded kitchens are being covered under “Base Kitchens” mentioned at point (v).

#### ii. **Train Side Vending (TSV)**

IRCTC also manages Train side vending contracts on Mail/Express and Superfast trains having no pantry cars. As on 31<sup>st</sup> March, 2019, there were more than 1600 trains on which sectional TSV contracts are to be awarded to the licensees.

Contracts for nearly 100 sections covering 1000 trains have been planned to be executed by March 2020.

#### iii. **Pantry Car design and development**

IRCTC is in the process of re-designing of pantry cars with modern equipments. Institute of Hotel Management (IHM) Pusa, New Delhi was engaged to submit a design for the same. Draft design has been submitted to Rail Coach Factory Kapurthala for consideration. The salient features of redesigned Pantry cars of Rajdhani and Duranto express (LHB rake) would include compact pantry cars with all modern equipments, fully AC LHB coach, adequate storage facility for dry and perishable items, optimum cooking facilities like Combi Oven, Brat Pans, Deep fryer, induction heaters, etc., sufficient staff berths (24 nos.), proper exhaust chimney, appropriate garbage bins etc.

For 2019-20, IRCTC plans to rollout 10 new pantry cars once the design is approved by Railways.

#### iv. **Static Catering**

IRCTC managed 169 Refreshment rooms, 57 Jan Ahaars and 27 Cell Kitchens as on 31<sup>st</sup> March, 2019. These units are established on Railway platforms, selling low budget eatables. A list of items to be sold on these units alongwith the prices is provided by Ministry of Railways/IRCTC. These units usually sell items to the passengers on platform and also sometimes supply to the moving train.

#### v. **Base Kitchens**

As on 31<sup>st</sup> March, 2019, IRCTC managed 11 Base Kitchens located at New Delhi, Howrah, Ahmedabad, Patna, Mumbai Central, Mumbai CST, Ballarshah, Nagpur, Balasore, Sealdah and Kharagpur Junction. The Base Kitchens at New Delhi and Howrah are managed departmentally i.e, by IRCTC itself, however, for other locations, service providers have been engaged for operations. Third party food safety supervisors have been deployed at these kitchens to test the food samples, to standardise the procedure and to train the staff. **During 2018-19, 30 base kitchens have been up-graded in view of Catering Policy 2017.**





With an aim to bring uniformity in passenger experience, the Company introduced new technology to monitor the food production process in its base kitchens. The new system comprises a network of CCTV cameras, installed at its Base Kitchens.



As per Catering Policy 2017, IRCTC has to set up modern Base Kitchens for production of hygienic meals for transfer to trains. Accordingly, 54 locations have been identified for setting up green field and brown field base kitchens. Out of these 54 locations, 36 existing units (Refreshment Rooms, Cell Kitchens, Jan Ahaars) have been proposed to be developed as kitchen units and 18 new kitchen units would be set up on the land to be provided by Railways.

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

During the year, the Company commissioned 16 Food Plazas and 49 Fast Food Units, thereby managing 290 operational units as on 31<sup>st</sup> March, 2019. The Company also awarded 20 FPs and 69 FFUs during 2018-19. The total earnings from FPs/FFUs for FY 2018-19 have been approximately ₹64.30 crore in FY 2018-19. A strategy of attracting well-known brands into this business has been initiated.



Food Plaza , Agra



Food Plaza , Ranchi

In FY 2019-20, IRCTC plans to commission approximately 50 Food Plazas (FPs)/Fast Food Units(FFUs).

### vii. **E-Catering**

At present, the E-catering service of the Company is available at 325 stations. This service can be availed by train passengers, through the website - *mobile App – Food on track*, which is available on both Android and iOS platforms along with telephone calls on 1323. **The average daily bookings under E-Catering for FY – 2018-19 stood at 11,859 meals.**

The famous F&B brands like Domino's, Haldirams, Subway, Sarvana Bhawan, Adyar Anand Bhawan etc have joined hands in this project.

The Company has taken steps to attract more F&B brands including reputed local and national level brands. This is being done with a view to offer choice and options alongside other existing catering facilities.





To ensure transparency, system generated invoices are issued to passengers against each order of e-catering, which is first of its kind on Indian Railways. Delivery mechanism has also been managed on 9 major stations – New Delhi, Jhansi, Nagpur, Itarsi, Bhopal, Lucknow, Gwalior, Kanpur and Pandit Deen Dayal Upadhyay. In addition, SMS are sent to passengers before their journey inviting them to book food. For 2019-20, steps are being taken to include more specialties of regional cuisine and to reach the average number of meals booked to 20,000 per day.



### **viii. Executive Lounges**

As per the policy directives issued by Ministry of Railways, IRCTC has been advised to invest in the infrastructure to create Executive Lounges. Consequently, 08 Executive Lounges at Visakhapatnam, New Delhi, Vijayawada, Agra Cantt, Jaipur, Ahmedabad, Madurai & Sealdah have been commissioned and 3 more stations viz. Varanasi Jn., Hazarat Nizamuddin & New Delhi (Paharganj side) are expected to be commissioned in FY 2019-20.



Executive Lounge, Jaipur



Executive Lounge, Vijaywada



Executive Lounge, Agra

### **ix. Retiring Room**

Ministry of Railways has mandated IRCTC to renovate, operate and maintain Retiring Rooms at Railway Stations. Accordingly, IRCTC has floated Expression of Interest (EoI) for empanelment of reputed organisations to undertake the renovation work of retiring rooms at all A-1 & A category stations. IRCTC has awarded contracts for the work of renovation, operation and maintenance of the Retiring Rooms for 19 stations. Out of these, Retiring Rooms at Bilaspur, Jaipur, Kacheguda, Madurai, Tirupati, Udupi and Vadodara have been commissioned. For FY 2019-20, 25 more Retiring Rooms shall be commissioned.



Inauguration of Retiring Room, Kacheguda on 5<sup>th</sup> October 2018

**x. Budget Hotel**

The Company is presently operating two Rail Yatri Niwas at Ginger Rail Yatri Niwas, New Delhi and Sampath Rail Yatri Niwas Howrah and two BNR Hotels from Puri and Ranchi.

During 2018-19, the Company started the construction of another Budget hotel at Lucknow.

**MOU Targets 2018-19 and Achievements thereof:**

- i. **Pilot project “setting up a billing system for Food Plazas and Fast Food Units through data network linked to IRCTC Central server to enable revenue monitoring:** The pilot project was launched at Food Plaza, Katpadi and two Fast Food Units at Ambur and Jolarpet railway stations, by linking their billing system with IRCTC's central server. The activity was successfully implemented on 31<sup>st</sup> December, 2018.



- ii. **Implementation of trolleys in Non-SBD Rajdhani, Shatabdi and Duranto trains:** IRCTC awarded licensees of 32 Non-SBD Rajdhani, Shatabdi and Duranto trains with a condition to have trolleys on these trains, in August 2018. As on 31.10.2018, all these trains were using trolleys for services to the passengers. Although some trolleys were later discontinued due to objections from Zonal Railways in regard to safety issues, as there is no parking space available, especially in Rajdhani and Duranto trains.







- iii. **Conversion of existing aluminium casserole to baggasse based biodegradable packaging in IRCTC managed non-SBD Rajdhani, Shatabdi and Duranto trains:** IRCTC awarded licensees of 32 Non-SBD Rajdhani, Shatabdi and Duranto trains with the condition that licensees shall use baggasse based biodegradable packaging in place of aluminum casserole on these trains in August 2018. Licensees started supply of meal in baggasse based biodegradable packaging in the month of September 2018 and are gradually replacing the aluminum casseroles. The target of conversion to baggasse based biodegradable packaging was achieved on 31<sup>st</sup> October 2018.

### Quality Control Regime

#### (i) **Customer Satisfaction Survey**

In IRCTC, quality of Food and Service is gauged by conducting Customer Satisfaction Surveys through third party professionals. The Company has empanelled 7 (seven) such agencies for a period of 3 years. In FY 2018-19, 362 trains and 263 FPs/FFUs were surveyed by a third party professional agency.

#### (ii) **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 Board for Certification Bodies (NABCB). During 2018-19, M/s TUV India (P) Ltd. conducted Food Safety Audit of Food Plazas/FFUs and trains.

#### (iii) **Complaint Monitoring and Redressal**

In view of the quantum of complaints emanating from multiple sources, IRCTC has developed Catering Complaint Management System (CCMS), which enables online redressal of complaints (approx. 80-90%) on trains and at stations by the zones and corporate office.

#### (iv) **Onboard Monitoring**

IRCTC has deployed train-wise onboard supervisors to closely monitor catering services. Apart from monitoring, the supervisors are also entrusted with the task of taking feedback from passengers through online means to ensure better services.



### **b. TRAVEL AND TOURISM**

India, with its rich and diversified historical, natural and cultural heritage is a home to many attractive tourist destinations of the world. The country's geography and topography has a tremendous potential to attract tourists across the globe.

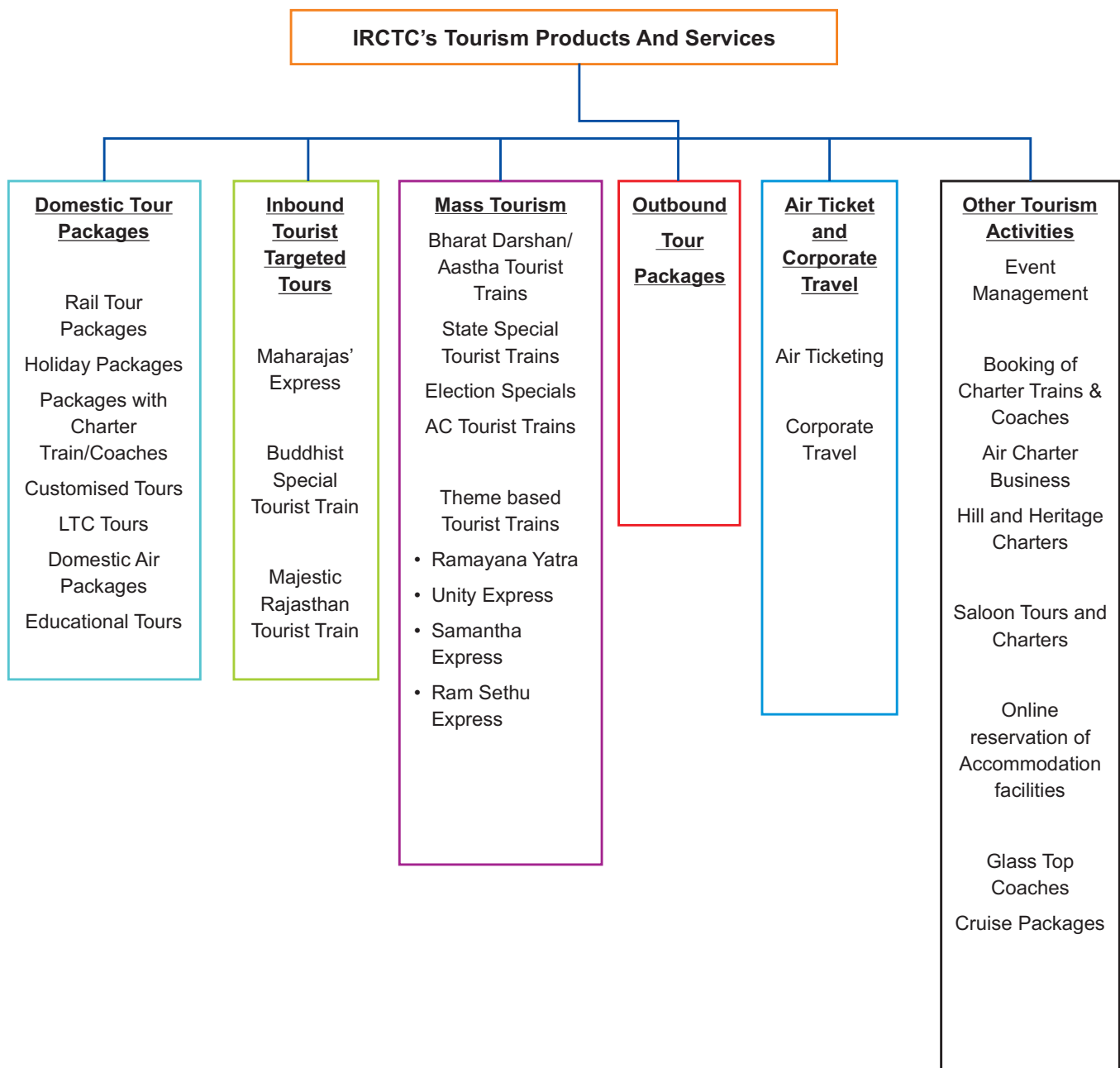
With globalization and overall development happening in the country in terms of infrastructure and tourism facilities, the foreign tourist arrivals in India has tripled from 3 million per year in 2003 to around 11 million in



2018 and analysts expect to see more than 30 million tourists visiting India annually by 2028. At the same time, domestic tourist visits to all states and Union Territories have contributed to India's rapidly growing tourism sector, which now plays a huge role in the nation's economy, supporting tens of millions of jobs and generating billions of dollars each year.

The World Travel & Tourism Council in their latest report on "Travel & Tourism- Global Economic Impact & Trends 2019" has stated that the total contribution of travel & tourism to GDP was Rs17.33 lakhs crore (US \$247 billion) which was 9.2% of the nation's GDP in 2018. It further forecasted that this contribution to GDP will rise to ₹ 35.94 lakhs crores (US \$511.9 billion) in 2029 contributing 6.8% of the GDP.

The tourism Business of IRCTC during 2018-19 is broadly classified as below:





### IRCTC in Tourism Business

IRCTC, today, has become one of the leading travel and tourism companies in the market catering to the needs of diverse tourist segments. With the strength of being a Railway PSU, IRCTC specialises in rail tourism and at present, is the market leader in this segment. Besides rail tourism, IRCTC has also diversified into various other tourism businesses for increasing the market share in the immensely competitive tourism market.

The various tourism business segments of IRCTC include Luxury Train Tours Maharajas' Express, Buddhist Circuit Special Train, Bharat Darshan Special Tourist Trains, Rail Tour Packages, International and Domestic Air Packages, Land Tour Packages, Hotel booking, Car Rental, Customised and LTC tours and Event Management etc. IRCTC have its exclusive tourism portal, [www.irctctourism.com](http://www.irctctourism.com) for showcasing and booking of various tourism products in a single space.

The income from Travel & Tourism Business of IRCTC has observed an increase of 36.27% from ₹ 189.36 crores in 2017-18 to ₹ 258.05 crores in 2018-19. The Income from State Teerath Tourism Business of IRCTC has observed a decrease of 7.6% from ₹ 210.59 crores in 2017-18 to ₹ 194.57 crores in 2018- 19.

#### 1. Domestic Tourism

- (i) **Rail Tour packages** – This is a comprehensive package of IRCTC, where it offers an all inclusive packages even with confirmed onward and return rail journey apart from other elements of a package such as road transfers, accommodation, meals and sight-seeing at reasonable rates. During the year, a total of 9606 tourists availed these tours.
- (ii) **Holiday packages** – IRCTC also operates Holiday Packages (Land Packages) which includes road transfers, accommodation, meals and sight-seeing. During 2018-19, a total of 33,725 passengers availed IRCTC tour packages.
- (iii) **Packages with charter coach and train** – These are all inclusive packages like Rail Tour Packages, where the train travel is arranged through chartered coaches or trains by IRCTC. During 2018-19, IRCTC has operated 12 RTP with charter trains/ coaches and a total of 610 passengers availed these services.
- (iv) **Customized tour package-** IRCTCs flexibility in accommodating the demands of the customer is clearly demonstrated in customised tour packages. These packages are tailor-made as per the requirement of the tourists such as, budget, level of luxury, places of Interest etc. During the year, a total of 6768 tourists availed these packages.
- (v) **Leave Travel Concession (LTCs):**

Government of India has authorised IRCTC as one among three PSUs for operating LTC tours. IRCTC offers general and customised LTC packages to Government employees. During the year, IRCTC arranged LTC package services for 57 passengers.

#### (vi) Domestic Air packages

Air packages are increasingly becoming more popular day by day due to limited time at the discretion of people for going on holidays. IRCTC operated packages from all the Zones to various destinations like Shirdi, Goa, Delhi, Tirupati, Gangtok, Darjeeling, Kalimpong, Andaman & Nicobar, Ladakh, Srinagar, Kashmir, Mumbai, Mysoor, Coorg, Bangalore and more. During the year, approximately 4,527 passengers travelled in 270 domestic air package tours.



#### (vii) Educational Tours

IRCTC operates educational tours for students under its “travel to learn” scheme and has tie-ups with various State Governments as well as private schools for operating educational tours for their students. During the year 2018-19, a total of 3,09,863 students (including 2,70,091 students of Local Delhi tours) travelled under Educational tours.





### 2. Inbound Tourist Targeted Tours

#### a) Maharajas' Express

Maharajas' Express has created a brand image for IRCTC in the field of luxury tourism in the international arena. Launched in the year 2010, the Maharajas' Express has been awarded as the World's leading Luxury Tourist Train consecutively from the year 2012 to 2018 at the World Travel Awards. Maharajas' Express operates on four different itineraries out of which three itineraries are of 7 Nights/ 8 Days and one of 3 Nights/ 4 Days which cover places like Ajanta, Udaipur, Jodhpur, Bikaner, Jaipur, Ranthambore, Agra, Balasinor, Gwalior, Khajuraho, Varanasi and Lucknow. The itineraries have been uploaded with departure dates on the website of the train [www.the-maharajas.com](http://www.the-maharajas.com).



During the year 2018- 19, total of 1,149 paid tourists availed the services of Maharajas' Express in 32 trips as against 1,040 (10% increase of PAX of FY 17-18, 945 in nos.) under MoU target of FY 2018-19.

#### b) Buddhist Circuit Special Train:

IRCTC operates "Buddhist Circuit Special Tourist Train", which completed 11 years of operation in 2018. This is a fully air conditioned train offering a 7 Nights and 8 Days package covering all major Buddhist Pilgrim locations in India and Lumbini in Nepal. The niche tourism product is mostly patronised by international tourists across the globe. In order to reduce road travel distance for Lumbini & Saravasti for ensuring more comfort to the tourists, IRCTC revised Railway halts at Gorakhpur and Gonda to Nautanva & Balrampur respectively in FY 18-19. During the year, IRCTC operated 8 trips of Buddhist Circuit Special Trains. As a part of revamping the product and to generate more business in the coming years, a new modified tourist friendly LHB rake was introduced in December 2018. The new rake of Buddhist Circuit Train has International level features like two dining cars, vacuum bio-toilets, air suspension springs, security lockers, modified 2AC coaches with side seating facility, On-board housekeeping & security, CCTV camera security,



accidental insurance facility, Foot massager & Mini library etc. The itineraries have been uploaded with departure dates on the website of the train [www.irctcbuddhisttrain.com](http://www.irctcbuddhisttrain.com). During the year, a total of 408 tourists travelled through this train as compared to 252 tourists in 2017-18.



### c) **Majestic Rajasthan Tourist Train:**

IRCTC also planned its new product “The Majestic Rajasthan Tourist Train”, which commenced its operation from September, 2019. IRCTC has positioned the train tour package for the mid-segment domestic and international tourists. Initially two tour packages of 4 Nights/5 Days will be offered covering the various princely cities of Rajasthan such as Jaisalmer, Jodhpur, Jaipur with an option to visit the world famous Taj Mahal. The itineraries have been uploaded with departure dates on the website of the train [www.majestictouristtrains.com](http://www.majestictouristtrains.com).

## 3 **Outbound Tour Packages**

Realising the potential of the outbound tourist market in the country, IRCTC has started operating outbound tour packages to various tourist destinations across the world. During 2018-19, 4164 tourists availed the outbound tour packages with revenue of ₹ 27.38 cr. as compared to 3308 tourists in FY 2017-18, with revenue of ₹ 23.06 cr, registering an increase in revenue by 18.73% and therefore, surpassing the MoU 2018-19 target of “Increase in revenue from International Air packages over previous year” by 15% (Excellent).

## 4. **Air Ticketing And Corporate Travel**

### a) **Online Air ticketing:**

IRCTC's air-ticketing micro-site [www.air.irctc.co.in](http://www.air.irctc.co.in) provides online booking facility of Domestic as well as International Air-tickets at very competitive prices with the lowest facilitation charges as compared to other portals in Online Travel Agents (OTA) market.



Mobile app for air ticketing for Android and IOS users is also made available. IRCTC has initiated providing overseas accidental insurance coverage of Rs. 50 lacs to each passenger.

During FY 2018-19, an average of 4,676 air tickets per day were booked through this website, as compared to 3,748 average air tickets in FY 2017-18, registering a growth of 24.76%, surpassing the MoU 2018-19 target of “Increase in Air Ticket booking over previous year by 15%” (Excellent).

### b) **Corporate Travel Business:**

IRCTC offers complete Travel services to Corporate, which include air ticketing, booking of domestic as well as International hotels, Visa facilitation, Insurance and Forex. IRCTC has tied-up with 64 PSUs/ Ministries/ Government institutions.

## 5. **Mass Tourism**

### a) **Bharat Darshan/ Aastha Circuit Tourist Train:**

One of the most popular tourism products of IRCTC, Bharat Darshan Tourist Trains are special tourist trains' tour packages offered by the company primarily targeting common man. These trains operate from various





cities across the length and breadth of the country on various circuits covering various tourist destinations. Attractively priced at ₹ 900/- per day per passenger for Non-AC Sleeper Class, the tour package is inclusive of rail and road travel, all meals, sightseeing and accommodation. Above all, the tourists are also insured for an accidental claim upto a sum assured of ₹ 10 lakhs. During FY 2018- 19, IRCTC operated 99 trips of Bharat Darshan Tourist Trains as against 85 trips of Bharat Darshan/ Aastha Circuit Tourist Train in FY 2017-18, registering an increase of 16.5%. With this achievement, IRCTC has surpassed the MoU 2018-19 target of "Increase in number of trips of Bharat Darshan and Aastha trains" by 15% (Excellent).



### b) State Special trains

IRCTC runs these special tourist train tours in collaboration with various state governments. The government selects the beneficiaries of the tour packages who are mostly senior citizens. These train tours cover various destinations of tourist and pilgrim importance across India. During FY 2018-19, IRCTC tied up with state governments of Madhya Pradesh, Chhattisgarh, Rajasthan and Jharkhand and operated the State Special trains for them. During the year, a total of 1,50,753 tourists availed these tours in 170 trips.

### c) Election Special Trains:

IRCTC has been entrusted with the job of moving the on duty Military and Para-Military forces for the general and assembly elections since FY 2013-14. IRCTC has been nominated as Single window for booking and movement of Election Special Trains. During FY 2018- 19, IRCTC operated 248 trains for moving Para-military forces for assembly elections in the state of Madhya Pradesh, Rajasthan, Chhattisgarh and Karnataka.

### d) AC Tourist Train:

Utilizing the conventional rake of the Buddhist Special Tourist Train, IRCTC operated the AC Tourist Train tour packages in FY 2018-19. The first trip of the AC Tourist Train was operated from Kochiveli (KCVL). During the FY 2018-19, IRCTC operated four AC Tourist Train tours for a total of 665 passengers.

### e) Theme Based Tourist trains

#### i) Ramayana Express:

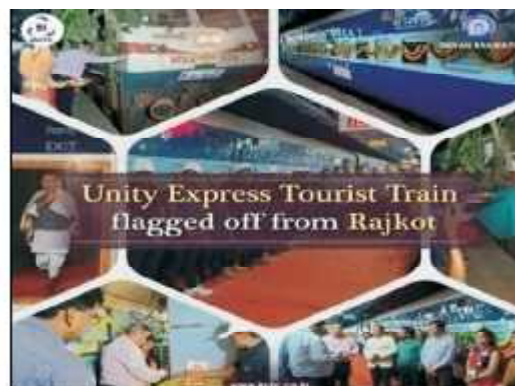
IRCTC launched and operated four special tourist trains covering places of Lord Rama which is named as "Ramayana Express". One train was operated from Madurai in Tamil Nadu, two were operated from New Delhi and the fourth one operated from Rajkot. The destinations covered are Ayodhya (U.P.), Nandigram, Sitamarhi, Janakpur, Varanasi, Prayag, Shringverpur, Chitrakoot, Nasik, Hampi and Rameshwaram, etc. A slip tour to Sri Lanka by flight to Colombo from Chennai was also offered to passengers on additional charges. The Sri Lankan leg of this ebullient package also included visit to renowned places like Ashok Vatika (Hakkagala Botanical Garden) and temples of the ancient time including Munneshwari, Munnawaram, Hanuman Temple, Kaleniya Vibhisana temple & palace, Tea gardens and Elephant Orphanage. These train were operated as all inclusive tour packages and provided service to 1884 passengers.





### ii) **Unity Express:**

On the inauguration ceremony of statue of Sardar Vallabh Bhai Patel (Statue of Unity), Railways through IRCTC ran a special tourist train named "Unity Express". The package offered was all inclusive tour package ex- Rajkot cover places like Rameshwaram, Madurai, Kanyakumari, Trivandrum, Tirupathi, Shirdi and Shani Singnapur. The train has provided services to 498 passengers.



### iii) **Samanta Express:**

In memory of Dr. Bhimrao Ramji Ambedkar "Samanta Express Tourist Train" operated ex- Mumbai, covering all the prominent places associated with his life and Lord Buddha. It is one of the most affordable all inclusive tour package, covering Chaityabhoomi (Mumbai), Mhow (Indore), Bodhgaya (Gaya), Sarnath (Varanasi), Lumbini (Nautanwa), Kushinagar (Gorakhpur), Deekshabhoomi (Nagpur). 553 tourists availed the tour during the year.

### iv) **Ram Sethu Express:**

This is another unique tour package offered by IRCTC covering the temples situated in the state of Tamil Nadu. The package in the name of "Ram Sethu Express –Tamil Nadu Temple Tour" operated ex-Chennai (Tambaram Railway Station). This maiden temple tour provided an exclusive opportunity to witness rich architecture and history of 18 temples of Tamil Nadu. The package has provided services to 228 numbers of passengers.



## 6. **Other Tourism Activities**

### a) **Event Management:**



IRCTC has ventured into Event Management business and has organised various Conferences, Events and Incentive packages for Indian Railways, PSUs and other institutions. During FY 2018-19, IRCTC has conducted and managed nine events.

Realising the potential of event management as a business segment, IRCTC plans to position itself as a full-fledged event management company and offer its event related services for organising events (Meetings, Incentive tours, Conferences and Expositions – MICE) to Ministry of Railways, its

PSUs and other government and private organizations across the country.

### b) **Booking of Charter Trains and Coaches:**

IRCTC has operated 700 (142 trains & 558 coaches) charters in the financial year 2018-19 for various tourist groups. IRCTC has been nominated as Single Window agency for booking of FTR Train/ Coaches across India and a new online module has been developed and launched on 18.05.2018. Next phase of online charter booking is under development with various facilities for customers/ users. The website for online booking of FTR Trains/ coaches is [www.ftr.irctc.co.in](http://www.ftr.irctc.co.in).

### c) **Air Charter Business:**

IRCTC has ventured into a new business segment of Air Charter. On the pilot run basis, IRCTC has provided service to Ministry of Railways and operated four Air charters during the FY 2018- 19. Initially, the business will be restricted to the Government clients and later extended after stabilising in the market.



### d) Hill and Heritage Charters

IRCTC actively promotes five Hill Railways of India, viz., Nilgiri Mountain Railway (NMR), Darjeeling Himalayan Railway (DHR), Kalka-Shimla Railway, Kangra Valley Railway and Matheran Railway. IRCTC operates hill charters over Kalka-Shimla, Nilgiri Mountain Railway and Darjeeling Himalayan Railways. IRCTC has recently launched packages for Kalakund, which is situated in the recently introduced Heritage section of Patalpani- Kalakund under Ratlam Division of Indian Railways.

### e) Luxurious Railway Saloon Car

Ministry of Railways decided to open the bookings of its fleet of luxurious saloon coaches to open market and has entrusted IRCTC with the task of marketing and booking of these special rail products. A Saloon Car generally has a living room, two air-conditioned bedrooms – one twin bedroom and the other similar to AC First Class coupe with attached baths, dining area and a kitchen. Optional services like attendant, catering, pick and drop is arranged as per demand of tourists. During FY 2018- 19, IRCTC has empanelled back-end service provider for providing package service to passengers. Indian Railways have allocated 2 Fully AC and 5 partial AC Saloon Cars, out of them only 2 Fully AC are feasible and operational for IRCTC. In FY 2018-19, IRCTC has operated 20 Saloon Cars successfully. IRCTC has requested Railways to provide 5 exclusive fully AC Saloon Cars for operating charters and Saloon Car tours across its all five Zonal Offices.

### f) Online booking of Retiring Rooms at Stations and Hotel Booking:

Railway passengers having confirmed PNR can now do online booking of retiring rooms across 498 Railway stations through IRCTC's tourism portal. IRCTC also provides the facility of online booking of IRCTC hotels and Executive Lounges on its Tourism portal. IRCTC tied up with various reputed online Hotel consolidators for offering online hotel booking to customers.

### g) Glass Top Coaches:

IRCTC executed the project of Vista Dome Glass Top coaches with the help of Ministry of Tourism during this financial year.

### h) IRCTC Mobile Apps:

IRCTC's launched user friendly travel and tourism mobile Apps, '**IRCTC Air**' and '**IRCTC Tourism**' on 31st May 2016. The application for IRCTC App is already available for Android and iOS users. An integrated IRCTC app featuring Rail and Air ticketing and IRCTC's Tourism has been released on 10.01.2017 named as "Rail Connect". Till 31st March 2019, more than 1 crore downloads of IRCTC Rail connect app has taken place and regular packages are being booked regularly on the app. A Mobile App has been developed on Android as well as iOS for **Maharajas' Express** to simplify the recording of guest feedback system and promotion of off-board excursions. App also has the feature of detailed itinerary, live tracking of train, etc.



### i) Tourism Portal :

In the era of modern technology where internet, websites and apps are ruling the world, IRCTC has realised the potential of growing as an Online Travel Agency. IRCTC's tourism portal [www.irtctourism.com](http://www.irtctourism.com) offers complete online travel solutions to the customers. The portal "Indian e-retail award" for consecutive four years from 2015 to 2018 by Franchise India. The portal offers on-line booking of Tourist Trains, Air tickets, Tour packages be it through rail, air or land, Hotel, Saloon Cars, AC Tourist Trains, Event Management, etc. To be at par with the user friendliness and facilities which other OTAs offer, IRCTC has revamped its tourism website.



New tourism products such as Kalakund- Patalpani packages, online hotel booking, micro website link to e-ticketing, Panch Takht Express, Ramayana Yatra Trains, Samanatha Express, Unity Express trains, Temple





Ram Sethu Express, New rake of Buddhist Circuit train, etc. are also being added for booking by the customers in the upcoming new version of the portal.



The extremely diversified tourism product lines provides IRCTC, tremendous scope of growth in the field of tourism. In line with this, the company plans to further enhance and consolidate tourism business in the coming years by expanding and streamlining existing business lines as well as introducing new product lines. Specific thrust areas would be:-

1. **Cruise Packages:** IRCTC will focus on launching packages with Cruise liners for major cruise packages across Globe. IRCTC will block seats/ rooms in Cruises and sell them at Domestic & International level.
2. **River Cruise Packages:** IRCTC also is going to tie up with reputed Companies in India offering Luxury River Cruise Tours. These tours will be offered to its guests of Maharajas Express in the first phase. The first Cruise package for June, 2019 is launched on December, 2018.
3. **Cargo Business:** IRCTC will indulge itself in logistics and supply chain management by venturing into Cargo Business. IRCTC will also increase business profile out of Rail- based tourism product line. IRCTC has tied-up with M/s Sky Touch Aviation Pvt. Ltd. for Cargo Business.
4. **AC Tourist Trains:** IRCTC will utilise the conventional rake of Buddhist for operation of more AC Tourist Trains and launch and operate various tourist itineraries across India.
5. **FOREX, VISA & International Travel Insurance:** IRCTC will be starting these businesses mainly targeting the IRCTC outbound tour package clients and also for the Corporate clients.
6. **Adventure Tourism:** IRCTC is planning to launch & operate Adventure Tour packages. First of its kind of Biking tours to Meghalaya from Bangalore and second will be from Delhi will be operated in future. IRCTC planning to launch & operated Adventure tours like Biking, hiking & mountaineering tours, etc.

### c. INTERNET TICKETING

IRCTC's e-ticketing service has continued to go from strength to strength ever since it came into the market and accounted for 70% of reserved tickets in 2018-19 on Indian Railways booked online. On an average, more than 7.78 lakh tickets were sold daily through IRCTC's website during 2018-19. The site offers round the clock ticket booking services except for 35 minutes from 2345 hrs to 0020 hrs.

#### Service Charge:

A nominal service charge earlier levied by IRCTC @ ₹ 20/- per e-ticket for Non-AC classes and @ ₹ 40/-per e-ticket for AC classes was withdrawn by Ministry of Railways w.e.f. 23<sup>rd</sup> November 2016 to promote digital payment and it continues to be withdrawn till date.





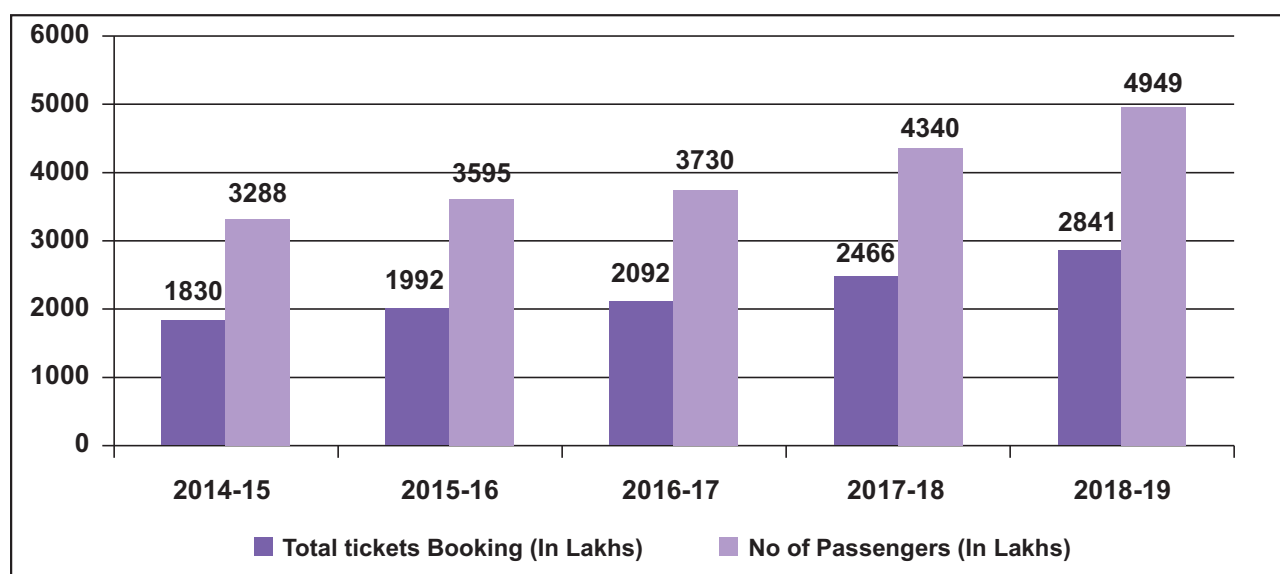
The withdrawal of service charge has resulted in a loss of ₹ 804 crores during 2018-19 in turnover of IRCTC. Total Revenue loss in e-ticketing service charge from the date of its withdrawal from 23.11.2016 to 31.03.2019 is ₹ 1718 Crores. For the FY 2018-19, reimbursement of ₹ 88 Crores has been made by Ministry of Railways to IRCTC for the maintenance and operations of Internet Ticketing System.

The withdrawal of service charge on the tickets, though has reduced the income from this segment, efforts are being made to encash full potential of website along with mobile application schemes through data monetization, retail management etc.

### Earnings:

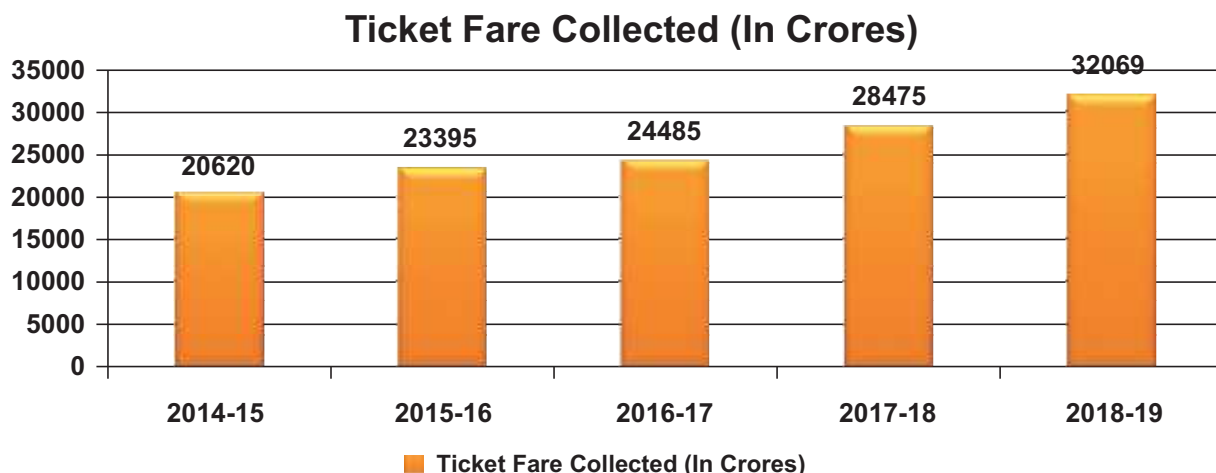
#### a. No. of E-Tickets and Passengers Booked:

A total of 2841 lac tickets were booked in 2018-19 as compared to 2466 lacs in 2017-18. Total 4949 lac passengers were booked as compared to 4340 lac passengers in 2017-18. The ratio of Passenger to Ticket during the year was 1.74:1.



#### b. E-ticketing Revenue Collection:

During the year 2018-19, a total of ₹ 32,069 crores were collected as Ticket Fare from the users under E-ticketing revenue, which is 12.62% more than the last year's collection of ₹ 28475 crores





### MOU Targets 2018-19 and Achievements thereof

S.No	Target	Status of Achievement
1	Automated top-up of Rolling Deposit Scheme (RDS) Process in e-Ticketing by 30.09.2018	Achieved on 30.06.2018
2	Launch of IRCTC own Payment Aggregator platform by 31.12.2018	Achieved on 17.10.2018

### New Initiatives Taken During 2018-19

- New User Interface for e-Ticketing website was launched on 14-Jun-2018.
- Waitlist ticket confirmation prediction facility to Users. (w.e.f. 15-Jun-18)
- E-ticket booking facility for Visually Impaired and Differently Abled users on Mobile App.
- Facility of Book Now Pay Later (after 15 days) on website.
- 'Talk Back' feature included to assist visually Impaired to book e-tickets. (w.e.f.26-Oct-2018).
- **Zero Transaction Charge on Debit Card** for e-ticket booking.
- E-ticketing Service to **Paramilitary Forces** is being facilitated to all Central Paramilitary Forces to eliminate exchange of warrants between Railways and MHA.
  - o **National Security Guards (NSG)** E-ticketing Service (launched on 04-Jul-2018).
  - o **Central Reserve Police Force (CRPF)** E-ticketing Service (Launched on 11-Jul-2018).
- **Push Notifications-** User engagement and retention tool that leverages Web and App to push notifications as a communication channel utilising the IRCTC user base was introduced during the year.
- **ASK Disha (Chat Bot):** An Innovative solution based on Artificial Intelligence & Machine Learning to provide quick response to IRCTC users was launched on 11-Oct-2018. It helps the website and mobile app visitors by answering their queries instantly without any time lag and to improve customer satisfaction and help business create competitive advantage, drive new business opportunities and foster innovation.
- **iPay:** iPay, IRCTC's own payment gateway platform is being conceptualised and presently opened on pilot basis to understand and evaluate the possible business opportunity for in house transactions. After completion of pilot and evaluating operational utility and technical strength in the industry viz a viz available business opportunities, the product iPay could be taken to other market segments.
- **Booking of Online Darshan Passes for Shirdi** with Rail e-Ticket was started on IRCTC e-ticketing website w.e.f. 23.01.2019.
- **Train Vacant Seat Chart** Module has been provided to users to view complete information of vacant, booked and partially booked berths in a train reservation chart w.e.f. 27-Feb-2019.



### Highlights of Internet Ticketing (2018-19)

- Total number of tickets booked were 2841 Lakhs, 15.21% higher than last year.
- Total Train Ticket Fare for online e-ticketing during the year was ₹ 32069 crores, 12.62% higher than last year.
- Mobile App (on Android) Downloads till 31<sup>st</sup> March, 2019 were 3.15 crores downloads.
- Mobile Bookings: The average Mobile App bookings during 2018-19 were 2.79 Lakh tickets per day as compared to 1.32 Lakh tickets in 2017-18.



- About 20% of the total e-tickets were booked through agents (Web Services Model) in 2018-19.
- Optional Travel Insurance facility on Payment of premium started w.e.f. 01.09.2018. Prior to that insurance was free to Rail Passengers. During the year, 35 crore passengers availed travel insurance facility.

### d. PACKAGED DRINKING WATER (RAILNEER)

As on 31.03.2019, IRCTC has seven operational plants located at Delhi, Patna, Palur, Ambernath, Amethi, Parassala and Bilaspur, out of which the plants at Amethi and Parasaala are under PPP mode.

Performance of Rail Neer Plants during FY 2018-19 as compared with 2017-18 is given below:

Financial Year	Production (bottles in Crore)	Turnover (₹ in Crore)	Plant Utilisation (%)
2018-19	21.50	188.00	83%
2017-18	20.20	175.00	82%

**Quality:** Rail Neer Plant at Danapur, Nangloi, Palur and Ambernath are accredited with ISO: 9001- 2008 quality management system certification and Rail Neer Plant, Ambernath is accredited with 22000:2015 certification.

The result of the tests, 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.

**During 2018-19, four plants at Hapur, Sanand, Nagpur and Bhopal were set up by achieving the MoU target 2018-19 under “Excellent” category.**





## Technology/Capacity up gradation:

- To combat design duplication and consequent sales of spurious water, a hologram was embedded on the Rail Neer bottle as a safety feature.
- Use of Handheld Terminals (HHT) for monitoring Rail Neer distribution operations.
- Rail Neer Carrying and Forwarding Agencies (CFAs) have been empowered to issue invoice through Handheld Terminals (HHTs) to licensees enabling live record and reconciliation of sale and supply of stock to trains and catering units in one plant as pilot project. This has simplified the process of bill settlement, rendered it accurate and in real time. It has also resulted in savings in stationary and time for reconciliation. Further, it is proposed to populate IRCTC's server with the above data online rendering it to become decision making tool to assess performance of Railneer operations.

## Road Ahead :

- ✓ Average daily requirement of Packaged Drinking Water over Indian Railways is approx 18 lakh bottles/day. IRCTC's average production capacity is 6.8 lakh bottles/day over seven working plants. With the commissioning of ten more plants, capacity will be enhanced to average 14 lakh bottles per day, which will be operational by 2020-21, covering 85% of Indian Railways demand.
- ✓ The newly set up plants at Hapur, Sanand, Nagpur and Bhopal have started commercial operation. Commercial operation of Nagpur Plant is likely to start soon.
- ✓ Three more plants at Jagi Road, Sankrail & Jabalpur are in advanced stage of completion and expected to start production by October 2019.
- ✓ Further, three more plants at Bhusawal , Una & Vijayawada are under construction and will be commissioned during 2019-20.
- ✓ IRCTC entered into an agreement with NTPC for setting up Rail Neer plant at Simhadri NTPC Power plant premises, in which source treated water shall be provided by NTPC. NTPC has developed a Fuel Gas based Sea Water (FGSW) desalination system through which distilled water is produced and made fit for filling in the bottle after mineralization and ozonation. This plant is environment friendly as raw water is not extracted from ground.



## Technology/Capacity up gradation:

### Water Vending Machines

Ministry of Railways has directed IRCTC to provide purified, chilled and potable drinking water to railway passengers at an affordable rate (@ ₹ 5/- per 1 litre) through **Water Vending Machines (WVMs)**, thereby reducing pollution on account of lesser consumption of plastic bottles and generating employment.





Till 31<sup>st</sup> March 2019, your Company has cumulatively installed 1956 Water Vending Machines. Out of 1194 stations of category of A1, A, B and C, a total of 619 stations have been provided with WVMs, covering around 97% of A-1 category stations.

### 3. HUMAN RESOURCE DEVELOPMENT

Human Resource Development is the strategic approach to the effective management of people in a company such that they help their business gain a competitive advantage. At IRCTC, the purpose of human resources (HR) is to ensure that the organization is able to achieve success through people with focus on implementing policies and processes. This is done through training programs, performance evaluations, and reward programs.

As on 31<sup>st</sup> March, 2019, the Company had a total manpower strength of 2250 employees with the following details:

Category	No. of Employees
Regular Employees	1395
Deputationists	50
On Contract/ZTO	64
Consultants	51
Out Sourced	657
Apprentice	33

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	131	5.8
SC Personnel	271	12.85
ST Personnel	73	3.47
Other Backward Classes	341	16.14
Persons with Disabilities	05	0.24
Ex-Serviceman	NIL	—

Government of India has issued a policy on reservation 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 CPSE, strictly complies with reservation policies through maintenance of Post Based Roaster System as prescribed by the Government.

#### MoU targets 2018-19 and achievements thereof:

S.No	Target	Status of Achievement
1	Engagement of Apprentices for compliance of guidelines issued by DPE vide OM dated 17.05.2018 regarding Implementation of the Apprentices Act, 1961 within a band of 2.5% to 10% of the total strength of employees.	Achieved, 33 Apprentices has been engaged i.e. 2.5% of the total strength of employees.
2	Regular updation of Online Human Resource Management System(HRMS)	Achieved, Online Human Resource Management System (HRMS) has been updated on 30 <sup>th</sup> November, 2018.
3	Implementation of decision of the Board on recommendations of HRAudit.	HRAudit was done by an external independent firm, M/s Simply HR and its recommendations were put up to Board of Directors on 20 <sup>th</sup> December, 2018.



### Employee Welfare:

Realising the significance of Human Resources of the organisation, HR Deptt. took following welfare measures during 2018-19:

- **Comprehensive Group Insurance Scheme:** The Scheme has been introduced for all employees including deputationists, by including natural death also in addition to earlier covered accidental death, with coverage amount being 60 months of basic pay.
- **Medical Insurance Scheme:** All the contractual staff and staff engaged through outsourced agency have been extended the benefit of medical insurance for self and family. Under the scheme, staff with coverage under ESIC will be reimbursed ₹ 400/- p.m and others would be reimbursed ₹ 800/- p.m.
- **Contributory Welfare Scheme:** To extend financial help to the families of employee(s), in case of untimely/sudden death, IRCTC contributory welfare scheme has been launched by creation through voluntary contribution of ₹ 50/- p.m by all the employees.
- **Post Retirement Medical Scheme:** In pursuance to DPE Guidelines, PRMS Scheme has been approved by Ministry of Railways in October 2018 for the benefit of retiring employees who completes 15 years of service.
- **Fast Track Promotion Policy:** Limited Departmental Competitive Examination (LDCE) against Direct Recruitment quota vacancies has been introduced at the level of DGM (E4), AM (E2) and Executive (E0) for giving accelerated promotion to deserving and talented employees. LDCE has also been conducted for the post of W6 and W5 categories benefiting 350 workmen under this policy.

### Industrial Relations

During the year, the Industrial Relations in the Company have been cordial and no man-days were lost. An effective work culture has been established in the Company through empowerment, transparency, decentralization and practice of participative management.

### Particulars of Employees

As per provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Company is required to give a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules in the Annual Report of the Company.

However, as per notification dated June 05, 2015 issued by the Ministry of Corporate Affairs, Government of India, government companies are exempted from complying with provisions of section 197 of the Companies Act, 2013.

Your Company is a government company, therefore, such particulars have not been included as part of the Directors' Report.

## 4. USE OF INFORMATION TECHNOLOGY (IT)

During the year, following initiatives were taken under Information Technology:

- All official data of the organization was maintained electronically in a secure environment with user's access rights control.
- Field officers were provided tablets for capturing data through mobile apps for Inspections in trains and taking feedback of the passengers. A dashboard is also provided for higher management to review & take necessary action & corrective measures for improving services
- Around 25 kitchens were equipped with CCTV cameras for regular monitoring of the operations and also linked with Honorable MR's dashboard "Rail drishti"
- Artificial Intelligence based CCTV cameras were installed in around 16 kitchens for monitoring the kitchen's operational work & detecting identified anomalies for betterment in the services. A Control room is being setup to monitor all these locations through large format displays (LFD).



### 5. VIGILANCE

The vigilance wing in IRCTC is a key department which acts as direct link between CVC, railway board vigilance and the organization. It has been entrusted with the responsibilities of mandate to carry on various surprise checks and scrutinize records/documents of various other departments from time to time for timely detection of malpractices, corruption and unwarranted/unlawful business conduct in the organization. It coordinates with the IRCTC management and Railway Board vigilance in dealing matters of vigilance administration, policy and disciplinary proceedings against erring officials. IRCTC vigilance wing is headed by full time CVO assisted by Deputy CVO, 3 Vigilance Officers and 2 vigilance inspectors in the corporate office. There are further 5 vigilance officers in various zones handling vigilance related matter in the field. CVO being the extended arm of CVC is deeply engaged in furthering culture of transparency, fair procedures, good business conduct and raising vigilance awareness in the organization. The focus area of vigilance department is to promote work culture for preventive vigilance and monitoring and surveillance. This is to ensure fair systems and procedures in place thereby increasing transparency and reducing scope for discretion.

During the period 2018-19, the vigilance department investigated in detail 39 complaints and conducted 128 preventive/surprise checks in catering and e ticketing sector. Nearly 201 e-mail complaints from various sources were also processed. The malpractices and incidents of corruption so detected were communicated to the concerned department for strict action against the licensees and erring employees. The resulting fine recovered was to the tune of ₹ 5,19,29,747. Further on recommendation of vigilance department, system improvements were implemented by various departments to minimise instances of malpractices especially in the procurement, catering and e ticketing sector. As mandated by CVC guidelines, the CMD undertook periodical review of activities and performance of vigilance department with the CVO. The pending cases of complaints and disciplinary proceedings were identified and expedited on priority. Further vigilance department has recommended major penalty against one employee, minor penalty against two employees and administrative action against six employees in other cases. A review meeting with all vigilance officers in the zone was chaired by the CVO in corporate office on 28<sup>th</sup> March 2019. As part of system improvement vigilance department suggested/advised for concrete & stringent penal policy for deficiency in services, undertaking due safety/ environmental measures and stock reconciliation in Railneer plants, ensuring compliance of security features in e-tendering process.

The Vigilance Awareness week was organized from 29<sup>th</sup> October, 2018 to 03<sup>rd</sup> November, 2018. The theme of this year is "Eradicate Corruption- Build A New India" with emphasis on preventive Vigilance by increasing transparency, accountability, following rule of law, being inclusive, effective and efficient in all areas of functioning of the Government and its organizations. A Vigilance publication containing articles, circulars/letters of CVC/Board/IRCTC etc, was released by Director/CS in the Corporate Office, New Delhi. Banners and posters with appealing messages were displayed prominently in work places, Catering Units, Trains etc. Various competitions like Essay writing, Poster making, Debate, Quiz were held at Corporate, Zonal and regional offices of IRCTC. Sensitize program/ Workshop/ Seminars were organized for the staff to make them aware of the various rules/regulations which are required to be followed during day to day working. In order to create more awareness and participation of the public at large, the Commission had envisaged a concept of "Integrity Pledge. During the week, Internet Ticketing Centre of IRCTC sent about 1.08 crore e-mails to the IRCTC e-ticket users informing them about observance of Vigilance Awareness Week, Do's and Don'ts of the e-ticketing procedure, booking of meal orders through e-catering to prevent cases of cheating/corruption and taking of e-pledge on CVC website.





### 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. One Independent External monitor has 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.

### 6. WHISTLE BLOWER POLICY/ ESTABLISHMENT OF VIGIL MECHANISM

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

### 7. CORPORATE SOCIAL RESPONSIBILITY:

IRCTC firmly believes that Corporate Social Responsibility (CSR) plays a major role in the development of any country and therefore, it has made CSR an integral part of its ethos and culture. Your Company goes beyond the statutory compliances and makes efforts to contribute to the economic development while improving the quality of life of the local community around the company's work centers, and the society at large. In a view, to achieve this goal, your Company has incurred an expenditure of ₹ 6.88 cr (2% of the average net profits of the preceding three years ) on CSR projects/activities in FY 2018-19.

Annual Report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013 is placed at **Appendix-"C"**.

### 8. COMPLIANCES

#### 8.1 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 No. (URN) for each application and the same is replied by the concerned CPIO/PIO well within 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 CPIO/PIOs, Appellate Authorities is available on the IRCTC website i.e. [www.irctc.com](http://www.irctc.com). IRCTC has been aligned to online RTI MIS portal w.e.f. 01.04.2017 and all the applications received online are disposed off through online RTI Portal which results in faster disposal of RTI cases.

During 2018-19, a total of 2056 cases under RTI Act, 2005 were received and all the applications were disposed off in timely manner.

Particulars	No. of applications received as transfer from other PAs u/s 6(3)	Received during the year [including cases transferred to other PAs]	No. of cases transferred to other PAs u/s 6(3)	Decisions where requests/ appeals rejected	Decisions where requests/ appeals replied
Requests	107	2024	384	28	1587
First Appeals	0	167	2	0	165

#### 8.2 Presidential Directives

During the year, the Company did not receive any Presidential Directive.

#### 8.3 Rajbhasha (Official Language)

The Company continued its thrust on the Official language implementation as per the Govt. of India's Rajbhasha Policy. Several steps are 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. Various activities were undertaken during the year like organizing workshops, training, meetings, various competitions etc. For outstanding and note worthy contribution in Rajbhasha, number of incentives and reward schemes are in force.

A Hindi week was organized from 14<sup>th</sup> September, 2018 to 20<sup>th</sup> September, 2018 in the corporate office in which various competitions, such as Hindi Quiz, Hindi dictation, Hindi Essay Hindi noting and drafting and Hindi Typing competition were organized, in which large number of participants took part. Winners were awarded with Cash awards along with a Certificate. On 15<sup>th</sup> June, 2018, 2<sup>nd</sup> Sub Committee of Committee of Parliament on Official Language inspected the corporate office. The Committee expressed its satisfaction with usage of Official Language in the office.

#### **8.4 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. The Company is committed for the prevention of sexual harassment of women at workplace and takes prompt action in the event of reporting of such incidents. In accordance with the Act, to provide protection against sexual harassment of women at workplace and to maintain their safety, IRCTC has nominated the Internal Complaints Committee(s) with the composition as required under the Act, at Corporate Office as well as Zonal offices of the company.

During the year, the Company received one complaint of sexual harassment, which has been disposed off.

#### **8.5 Procurement from Micro and Small Enterprises (MSEs)**

As prescribed under Procurement Policy for Micro and Small Enterprises (MSEs), Order 2012, mandatory procurement of a minimum of 20% of the total procurement from MSE's firms and at least 4% out of 20% from SC/ST firms is required. During FY 19, the Company was able to carry out a total of 13.55% of procurement from MSE firms.

The Company will make all out efforts to achieve the targeted purchase of 25% from MSEs with minimum 4 % from SC/ST MSEs and minimum 3% from women owned MSEs out of 25% procurement from MSEs in 2019-20.

### **9 COMPLIANCES UNDER COMPANIES ACT, 2013**

#### **9.1 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**.

#### **9.2 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**.

#### **9.3 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.

#### **9.4 Internal Financial Control System**

The Company has in place an internal control system which commensurate with size, scale and complexity of its operations. Internal audit constitutes an important element in overall internal control systems of the company. The scope of work of the internal audit is well defined and is very exhaustive to cover all crucial functions and businesses of the company. The internal audit in the company is carried out by the independent professional firms appointed for this purpose. In addition to Internal Audit, M/s UCC & Associates LLP, Chartered Accountants were engaged for the work of certification of internal financial control (IFC) for the F.Y.2018-19 in accordance with the provisions of Companies Act, 2013. Details of the internal control system are provided in the Management Discussion and Analysis Report given at **Appendix-"A"**.



### 9.5 Risk Management

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.

The Company also has a below Board level Committee constituted of GGM level officers, including GGM Security as 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.

The Risk Management Policy of the Company is also available on website [www.irctc.com](http://www.irctc.com). To further strengthen the risk management framework of the Company, Vision 360 Management Consulting (P) Limited with the above-mentioned expertise was engaged to prepare the ERM framework of the Company.

During quarterly meeting of below Board risk management various risks have been being identified and deliberated at the level of Board level committee. The major risks identified are as mentioned below:

1. Operational Risks
2. Change in Govt Policy Risks
3. Human Resource Risk,
4. Business Continuity Risks

### 9.6 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.

### 9.7 Secretarial Standards

The Company has complied with applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

## 10 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:

All out efforts and initiatives are taken by IRCTC to minimize adverse environmental impacts from its operations, products & 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 ensuing a safe and clean environment to reduce the dependence on conventional energy sources,

#### (A) Technology absorption-

Details are mentioned below in the table:

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 for its business segments.



### (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 compared to previous year is mentioned below:

(₹ In cr)		
Particulars	2018-19	2017-18
Foreign Exchange Earning	33.54	37.59
Foreign Exchange Outgo		
Foreign Travelling Expenses	0.67	0.33

## 11 POLICY ON PERFORMANCE EVALUATION OF DIRECTORS

Ministry of Corporate Affairs has vide its notification dated 5<sup>th</sup> June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides that Sec. 134(3) (p) regarding statement on formal annual evaluation shall not apply to Government Companies in case the Directors are evaluated by the Ministry which is administratively in-charge of the company as per its own evaluation methodology.

Department of Public Enterprises (DPE) has laid down a mechanism for performance appraisal of all functional directors. Your Company enters into Memorandum of Understanding (MOU) with Ministry of Railways (Government of India) each year, demarcating key performance parameters for the Company. The performance of the Company and Board of Directors are evaluated by the Department of Public Enterprises vis-à-vis MOU entered into with the Government of India.

Further, Ministry of Corporate Affairs vide its notification dated 5<sup>th</sup> July, 2017 has exempted the provisions relating to review of performance of Chairperson and non-independent directors and the Board as a whole and evaluation mechanism, prescribed in Schedule IV of the Companies Act, 2013, for Government Companies.

## 12 INTEGRAL REPORTS

The following reports as reproduced in the table mentioned below with relevant sub-appendices form an integral part of this Directors' Report, and have been placed with there it Appendix respectively:

Name of the Report	Appendix
Management Discussion and Analysis Report	A
Report on Corporate Governance	B
Annual Report on CSR and Sustainability Activities	C
Extract of Annual Return	D
Secretarial Auditor Report	E
Addendum to Directors' Report (Management replies to remarks contained in the Auditor's Report)	F

The **"Management Discussion and Analysis Report"** provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems **[Appendix – "A"]**.

**"Report on Corporate Governance"** highlights the philosophy of Corporate Governance and Key Values of the Company, composition of Board of Directors and its Committees, their details including profile of directors who joined the Board during 2018-19 and thereafter, attendance and remuneration of directors etc., other relevant disclosures and general information for shareholders **[Appendix – "B"]**. It is supplemented by following compliance certificates:

- Certificate signed by the Chairman & Managing Director affirming receipt of compliance with the Code of Conduct and Key Values from all Board members and Senior Management personnel during the year 2018-19 (placed at **Appendix – "B1"**);
- Certificate from Chairman & Managing Director and Director Finance with respect to the truth and fairness of the Financial Statements, due compliances, and financial reporting (placed at **Appendix – "B2"**); and
- Certificate of compliance of Corporate Governance provisions signed by a Practising Company Secretary (placed at **Appendix – "B3"**).



“Annual Report on CSR and Sustainability Activities” provides a brief outline of the company's CSR and Sustainability policy, the composition of CSR Committee, average net profit of the Company for the last three financial years, prescribed CSR expenditure, and details of CSR spent on the activities / projects undertaken during the financial year etc. **[Appendix – C]**.

Pursuant to section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, IRCTC has appointed M/s Akhil Rohtagi, Company Secretaries, an independent practicing firm of Company Secretaries to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed as to this Report **[Appendix – “E”]**

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. **[Appendix-“D”]**.

### 13. MEMORANDUM OF UNDERSTANDING

The performance of the Company has been rated as “Very Good” based on the outcomes achieved with reference to the key performance indicators (KPIs) enshrined in the Memorandum of Understanding (MoU) for the financial year 2017-18.

The Memorandum of Understanding reflecting the financial and physical targets for the year 2019-20 was signed between the Company and Ministry of Railways on 20<sup>th</sup> May, 2019.

### 14. AWARDS AND ACHIEVEMENTS

IRCTC endeavours for an all-round growth and the same is reflected in the list of its awards & achievements:

1. IRCTC's tourism vertical has been conferred India e-Retail Awards 2018, in the category “Leisure and Travel e Retailer of the Year” at a ceremony held at J W Marriot, New Delhi.
2. IRCTC's “Next Generation e-Ticketing System” awarded "India Content Leadership- Awards 2018" under category 'Website Content Awards', by [Inkspell Solutions](#) at 18.99 Latitude, Lower Parel, Mumbai.
3. IRCTC has covered itself with glory by winning the coveted Dun & Bradstreet's 'PSU Awards' 2018 at The Lalit Hotel, New Delhi. Bradstreet's publication 'India's Top PSUs' recognize the achievements of top performing PSUs across diverse sectors like mining, manufacturing and services.
4. IRCTC has been conferred with India International Travel Mart award in the category of Rail product of the year & Best promotion in Rural Tourism for its tourism vertical in a glittering ceremony held at Bangalore.
5. IRCTC has been awarded 16<sup>th</sup> Annual Franchise Award & Star Retailer Award 2018 under category Leisure & Travel E Retailer of the year at Pragati Maidan, New Delhi.
6. IRCTC has been awarded with “Digital Leader Awards for Excellence” under Category: “Enterprise Applications” in Smart Technology Summit 2018 organised by The Indian Express Group on 31st October 2018, Pragati Maidan, New Delhi.
7. Internationally acclaimed Maharajas' Express, owned and operated by IRCTC has bagged 'World Travel Award' for 'Leading Luxury Train' for seven times in a row (2012-18) at glittering ceremony held at Lisbon, Portugal.
8. IRCTC Rail e-ticketing website has won the Best e-Commerce Website in a Specialised Category in the [Drivers of Digital Summit and Awards 2018](#) organised by [Inkspell Solutions](#) at 18.99 Latitude, Lower Parel, Mumbai.
9. IRCTC has been conferred with North India Best Employer Brand Awards 2018 by Employer Branding Institute, Noida in a glitter ceremony held at The Taj Mahal Hotel, New Delhi.
10. The mobile application “IRCTC Rail Connect” used by lakhs of passengers daily across the country for their e-ticket bookings has been conferred National Award for E-Governance 2018 - 2019 (Special Jury Award).

### 15. JOINT VENTURES/SUBSIDIARIES

The company's only Joint Venture with Cox & Kings Ltd. with 50:50 equity in the name of Royale Indian Rail Tours Limited (RIRTL) was incorporated on 27<sup>th</sup> November, 2008 with an objective to acquire, furnish, maintain, manage and operate luxury trains and to market holiday packages with such luxury trains as an integral part.





Accordingly, a luxury train having 23 coaches was got manufactured, fabricated and funded by the company and was marketed in the name of "Maharajas' Express" and was leased to Royale Indian Rail Tours Limited ("RIRTL") for the purpose of running, operating and managing the luxury tourist train for a period of 15 years. However, due to certain issues between the equity partners, the lease of the luxury train was withdrawn and the JV Agreement dated 10<sup>th</sup> December, 2008 was terminated on 12<sup>th</sup> August 2011. Hon'ble Supreme Court permitted IRCTC to operate the said luxury train. Cox & Kings Limited initiated Arbitration proceedings seeking restoration of Joint Venture Agreement and filed statement of claims. The arbitration is in advance stage before Arbitral Tribunal.

IRCTC has also filed a petition against Royale Indian Rail Tours Limited (RIRTL) and Cox & Kings Limited and others before National Company Law Tribunal (NCLT) (erstwhile Company Law Board) under sections 388B, 397, 398, 399 and 403 of the Companies Act, 1956 and the said petition is subjudice. NCLT has declared the company having managerial dispute. 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, 2019 vide note no. 37.3 and 45. RIRTL has also taken permission from the NCLT for not holding the Board and General meetings without its approval in July, 2013.

## **16. CONSOLIDATION OF FINANCIAL STATEMENTS**

As mentioned in the Para above, the Board meetings and general meetings have not been held in RIRTL since 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. 45 of the Notes to accounts of the financial statements for the period ending 31<sup>st</sup> March 2019.

## **17. AUDITORS**

### **17.1 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 2018-19. The Statutory auditor has been decided to be paid an audit fee of ₹ 10.45 lacs excluding out of pocket expenses plus applicable taxes, for the year 2018-19.

### **17.2 Secretarial Auditor**

Pursuant to section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, IRCTC has appointed M/s Akhil Rohtagi, Company Secretaries, an independent firm of practicing Company Secretaries to conduct Secretarial Audit for the financial year 2018-19

The Secretarial Audit Report for the financial year ended March 31, 2019 is enclosed as **Appendix –“E”** to this report.

### **17.3 Internal Auditor**

As per the section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules 2014, the Company has appointed M/s K.S. Choudhary & Co., Chartered Accountants, an independent accounting firm to undertake the assignment of internal audit for F.Y. 2018-19. The details regarding scope and functions of the firm is placed in the Management Discussion and Analysis Report.

### **17.4 Cost Auditors**

Since the business segments of IRCTC are not covered under new Cost Audit Rules notified by Ministry of Corporate Affairs, the Company got conducted the cost audit of cost records maintained by the Rail Neer Plants on voluntary basis only through M/s Sanjay Gupta & Associates as the Cost Auditor for the year 2018-19.

## **18. 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, 2019 under Section 143(6) of the Companies Act, 2013.

The comments of the C & AG on the Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2019 shall also form part of this report.



### 19. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors have prepared the annual accounts on a going concern basis; and
- 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.

### 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

Chairman & Managing Director, Director (Finance), Director (Catering Services), Director (Tourism & Marketing), Chief Financial Officer (CFO) and Company Secretary are Key Managerial Personnel (KMPs) of the Company.

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

#### Cessation:

- Mr. Sriram Venkatachalam (DIN: 07445220)**, Director (Catering Services) ceased to hold office due to his superannuation on June 30, 2019.

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

Sr. No.	Particulars	Date of Appointment
1.	Mr. Mahendra Pratap Mall (DIN:02316235) Chairman & Managing Director	From 18 <sup>th</sup> September, 2017 onwards
2.	Smt. Rajni Hasija (DIN: 08083674) Director (Tourism & Marketing)	From 18 <sup>th</sup> May, 2018 onwards
3.	Smt. Smita Rawat (DIN 07670758) Part-time Government Director	From 8 <sup>th</sup> December, 2016 onwards
4.	Mr. Neeraj Sharma (DIN 08177824) Part-time Government Director	From 12 <sup>th</sup> July, 2018 onwards
5.	Dr. Rabi Narayan Bohidar (DIN 00637818) Part-time (non-official) Director	From 31 <sup>st</sup> January, 2017 onwards
6.	Dr. Dheeraj Sharma (DIN 07683375) Part-time (non-official) Director	From 31 <sup>st</sup> January, 2017 onwards
7.	Smt. Kanak Aggarwal (DIN 00074469) Part-time (non-official) Director	From 31 <sup>st</sup> January, 2017 onwards
8.	Prof. Sachin Chaturvedi (DIN: 07960871) Part-time (non-official) Director	From 10 <sup>th</sup> October, 2017 onwards
9.	Mr.Comal Ramachandran Sundaramurti (DIN: 7965899) Part-time (non-official) Director	From 13 <sup>th</sup> October, 2017 onwards
10.	Ms. Sarita Deshpande (DIN: 08098222) Part-time (non-official) Director	From 29 <sup>th</sup> March, 2018 onwards

**21. ACKNOWLEDGEMENTS**

The Board of Directors of your Company wishes to record their deep sense of appreciation for the sincere efforts put in by the employees of the Company. Your Directors also gratefully acknowledge the co-operation, support and guidance extended to the Company the Government of India, Ministry of Railways, Ministry of Tourism and Department of Public Enterprises.

Your Directors also acknowledge with thanks the assistance and guidance rendered by Statutory Auditors, the Comptroller and Auditor General of India, Secretarial Auditor and Cost Auditor and wishes to place on record their sincere thanks to its valued customers and licensees for their continued patronage.

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

**Date : 26.07.2019**  
**Place : New Delhi**

**Sd/-**  
**(M.P. Mall)**  
**Chairman & Managing Director**  
**DIN:02316235**



### Appendix –“A” to the Directors’ Report

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1) INDUSTRY STRUCTURE AND DEVELOPMENT

#### 1.1 ECONOMIC SCENARIO

The Economic Survey 2018-19 was announced on July 4, 2019, by Ms. Nirmala Sitharaman, Union Minister for Finance and Corporate Affairs, Government of India. The Survey forecasts a growth rate of 7 per cent for FY-20, as compared to the growth rate of 6.8 per cent in FY-19. Focus on enabling Micro Small and Medium Enterprises (MSMEs) to grow for achieving greater profits, job creation and enhanced productivity. To be an economy of US\$ 5 trillion by 2024-2025, the sustainable real GDP growth rate of 8 per cent is needed.

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment flows, contributed significantly to exports as well as provided large-scale 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. The services sector is the key driver of India's economic growth. The sector has contributed 54.17 per cent of India's Gross Value Added at current price in 2018-19.

#### 1.2 INDUSTRY OVERVIEW:

##### 1.2.1 CATERING

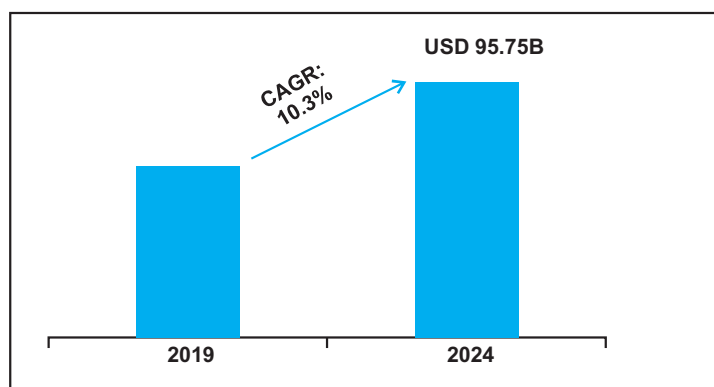
The Indian food service sector has seen exceptional growth during the past decade and continues to expand at a fast pace. This can be attributed to a high percentage of young and working population with rising disposable incomes. Availability of organised retail space has also helped the industry to encourage the growth of local and international brands across different formats.

According to FICCI-PWC report '*The Changing Landscape of the Retail Food Service Industry*' following are the trends that will shape the Indian food service industry:

1. Ethnic cuisine will increasingly be present in organised and hygienic set-ups
2. Food tech will continue to 'organise the unorganised', driving increased focus on consumers, food innovation and efficiency
3. Restaurants will increasingly focus on consumer engagement using technology
4. Social media will continue to transform relationship with consumers
5. Health and wellness will continue to ride high on consumer preferences
6. Traditional packaging will make way for innovative food packaging

**As per Mordor Intelligence Report, India Food service market is forecasted to reach USD 95.75 billion by 2024, registering a CAGR of 10.3% during the forecast period (2019 - 2024).**

#### India Food service Market Summary



Source : Mordor Intelligence



**1.2.2 TOURISM:**

<b>Advantage India</b>	<b>Robust Demand</b>	International Tourist arrivals in India are expected to reach 30.5 million by 2028. By 2020, medical tourism of India is expected to touch US\$ 9 billion.
	<b>Attractive Opportunities</b>	India has a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural & religious tourism.
	<b>Policy Support</b>	Under the Swadesh Darshan scheme, 13 thematic circuits in the country have been selected for development of tourism infrastructure.
	<b>Diverse Attractions</b>	India offers geographical diversity, attractive beaches, 30 world Heritages Sites and 25 bio-geographic zones.

\* Source: [www.ibef.com](http://www.ibef.com)

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion FEEs during January 2019 was US\$ 2.55 billion.

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022.

The Indian government has realised 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 planned by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

- Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated in October 2018. It is the highest standing statue in the world at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.
- Under Budget 2019-20, the government allotted ₹ 1,160 crore (US\$ 160.78 million) for development of tourist circuits under Swadesh Darshan.
- Under Budget 2019-20, the government allotted ₹ 160.50 crore (US\$ 22.25 million) for development of tourist circuits under Swadesh Darshan.

\* Source: [www.ibef.com](http://www.ibef.com)

**1.2.3 PACKAGED DRINKING/BOTTLED WATER:**

'Packaged' Drinking Water is water derived from varied sources including surface, ground or sea and subjected to treatment like decantation, filtration (including aeration filtration with membrane filter, cartridge filter, activated carbon filtration), demineralisation, mineralisation and reverse osmosis.



The bottled water market in India is expected to reach ₹ 403.06 billion by the end of 2023, from its current value of ₹ 160 billion, expanding at a compound annual growth rate (CAGR) of 20.75% from 2018.

Based on volume, the market is likely to reach 35.53 billion liters by 2023, expanding at a CAGR of 18.25% from 2018 to 2023, according to a report “Bottled Water Market in India (2018-2023)” by Research and Markets.

Increasing health concerns and unavailability of clean drinking water have led to the growth of the bottled water market in India.

In India, bottled water is sold in following four main types of SKUs – one-liter bottles, two-liter bottles, 500 ml bottles, 250 ml bottles, pouches, and barrels of 15-20 liters.

Apart from individual sales, market players in India have recently inclined towards institutional sales through partnership with airlines, movie theatres and hotels. Such partnerships are eventually increasing the penetration of the product in the market, followed by rise in the overall sales volume in India.

India accounts for 18% of the global population. In addition, the per-capita income of Indians witnessed a growth of ~8.6% in 2017.

Moreover, increased awareness among the growing population about the importance of safe drinking water for maintaining good health, along with a sharp rise in per capita income is creating a demand for bottled water in India.

Tourists prefer bottled water to normal tap water. The rate of foreign tourists in India is expected to increase at a rate of 6.7% during 2015-2025. This, in turn, is anticipated to boost the sale of bottled water in India.

## 2) SWOT ANALYSIS



### STRENGTHS

- Pan India presence
- Only PSU providing one window solution to all Hospitality Services.
- Support of Indian Railways
- Professional employee base
- Highest website hits per day
- Reputed brand name
- Database of over 21 million customers
- Large agent network
- Single Window Agency for charter business of Indian Railways



### WEAKNESSES

- High dependency on Railways.
- Profitability dependent on one segment.
- Low flexibility in decision making as compared to private sector.
- Major share of revenue from Governmental business.
- Delayed response to the market change due to procedural delays.



### OPPORTUNITIES

- High growth rate in Hospitality & Tourism segment
- Growth in online business
- IT and E-Governance
- Joint Venture with other Government bodies
- To benchmark with international standards in mobile catering through multilateral collaborative agreements with foreign railways and mobile catering players



### THREATS

- Policy directives issued from time to time on catering & internet ticketing.
- Dominant unorganized sector especially in railway catering.
- High market competition.



### 3) OUTLOOK

IRCTC is a Public Sector Catering and Hospitality entity. Its business segments cover Travel & Tourism, Internet Ticketing and Packaged Drinking Water (Rail Neer) by providing value added products and integrated services under a single roof to rail passengers, tourists and other customers.

In order to provide value added services to its stakeholders, IRCTC has planned various initiatives in financial year 2019-20, which includes construction of new renovated/ upgraded kitchen units, no. of trains to be bought into the coverage of Train Side Vending (TSV) services, initiation operations, promotions, launching & marketing of atleast 2 River Cruise business with partners, increase in revenue from Domestic and International Air packages over previous year, setting up and operationalization of OTP based system for ensuring refund to all customers, Creation of own booking engine for handling all kinds of event ticketing like exhibitions, games event etc., launching of utility for bill payment or other services for IRCTC users and tie up with at least 3 billers, supporting to new start-up by providing services including pilot projects, develop strategic partnerships with United Nations (UN)/ International organizations - to tie-up with SAARC countries and other organizations for promotion of Tourism among countries as well as opening up of Tourism Facilitation Centers, number of International Tenders bid individually/consortium - tie-up with international renowned Cruise companies for launching cruise in important waterways in India , imparting of Recognition of Prior Learning (RPL) training to employees of Contractors by IRCTC in coordination with National Skill Development Corporation (NSDC) under Pradhan Mantri Kaushal Vikas Yojana (PMKVY) scheme, designing a structured Induction and On-boarding policy for new recruits, capability development programmes for employees to build their technical & managerial competencies for higher positions with special focus on Web based learning etc.

The Company is committed to further enhance tourism business by expanding existing business lines as well as introducing new products viz, Cruise Packages, River Cruise Packages, Cargo Business, Air Packages, Event Management Online Air-ticketing, Corporate Travel, Majestic Tourist Trains, AC Tourist Trains etc.

The Company has also 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.

Regarding Railneer, the Company would explore the possibility to utilise water available in abandoned mines of Coal India Limited and reject water produced in NTPC's thermal plants.

### 4) RISKS AND CONCERNS

#### 4.1 Catering:

The catering business of IRCTC is for, of and by the Railway. It is more of an opportunity than a risk per se in spite of policy flip-flops the business had witnessed since 2001. The promulgation of the new catering policy has firmly established the stage for a new protocol of understanding between Ministry of Railways and IRCTC to substantially upgrade the level of hospitality and catering services in Indian Railways.

The current risks and concerns include:

- a) High barriers to entry the business has witnessed from existing players in the train catering business.
- b) The inability of IR & IRCTC to initiate and create enabling conditions in the past to induct new players from the F&B industry to create catering capacity in IR.
- c) Stagnant infrastructural upgrades on trains to improve the quality of service deliverables especially archaic pantry car design on mail/express trains. These are challenges to be addressed urgently especially with unbundling of services which will depend on reliable infrastructure – both on board and off board.
- d) Revised structuring of contracts to be attempted so as to preempt risks such as excessive bidding on concessions wherein bid parameters emphasize on quality of service as the end objective.
- e) Tariff restructuring of menu offerings to arrive at price points somewhere between, what the traffic can bear vs. minimal cost it takes to provide the service.



Policy initiatives from the Ministry and proactive concerted action by IRCTC and IR's field units can ensure that the stage is set to create an environment to transform catering services on IR for the better.

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

Internet ticketing services for Indian Railways was the main source of profits for the company. The Company used to get 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 was being shared in the ratio of 50:50 with Indian Railways. Service Charge on e-ticketing was withdrawn from 23.11.2016 which is being continued till date. Since Service Charge has still not been restored, it has serious impact on the revenues of the corporation. This has reduced turnover as well as profit before tax and profit after tax for the company.

Railway's revenue has also got impacted by way of reduction in share of service charge in online e-ticketing and also by reduction in dividend payment. Flexibility of IT department as well as IRCTC in carrying out new ventures and supporting other low revenue passenger amenity related works has also been diminished.

#### **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:**

Risks and concerns include:

- a) Natural scarcity of water due to misdirected end-use has to be combated through efficient industrial processes to improve specific water consumption.
- b) In recent years, a number of companies selling fake branded bottled water have cropped up in the market. These players do not maintain quality and hygiene standards, which in turn leads to health issues among consumers. As a result, consumers lose faith in bottled water, thus affecting the overall sales.
- c) Railways to tighten diligence including QC tests on brands inducted for consumption at stations where Railneer coverage is yet to reach.
- d) Attempts at broad-basing of O&M operators by IRCTC has not achieved the desired results mainly due to the need to revisit contract structures in order to minimize O&M pay outs.
- e) Implementation of QC standards in the vocational spread of Water vending business is a challenge especially to upscale the frequency of onsite quality tests across the Indian Railway network with widely varying water quality.

Potentialities to be tapped in the business ranges from improving plant efficiencies to supply chain enhancements through use of information technology and using rail transport as a supply chain vehicle as distinct from road for supply of railneer at smaller stations.

### **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 an experienced firm of Chartered Accountants in close co-ordination with concerned officials of the Company.

During the year, Internal Audit was conducted by M/s K. S. Choudhary & 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 and rules made hereunder.

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) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total Revenue increased by 26.69% from ₹1,95,701.26 lakh to ₹1,54,474.65 lakhs in financial year 2018-19. Profit before tax grew by 40.40 % from ₹ 33,897.72 lakhs to ₹ 47,592.64 lakhs in financial year 2018-19. The profit after tax grew by 39.36 % from ₹ 21951.95 lakhs to ₹ 30592.99 lakhs in financial year 2018-19. The comparative performance of major financial parameters during the financial years 2018-19 and 2017-18 is given below:

(₹ in lakhs)		
Particulars	2018-19	2017-18
Sales Turnover	1,86,823.57	1,47,116.73
Profit before interest, depreciation, exceptional items and tax (EBIDTA)	46,952.34	36,030.02
Less: Interest and Finance Charges	234.86	290.76
Less: Depreciation	2863.96	2366.11
Profit before tax (PBT) before exceptional items	43,853.52	33,373.15
Exceptional items : Loss(-)/Gain(+)	3739.12	524.57
Profit before tax (PBT) after exceptional items	47,592.64	33,897.72
Less: Provision for taxation	16,999.65	11,945.77
Profit after tax (PAT)	30,592.99	21,951.95
Dividend (as a % of Equity share capital) on cash basis	93.01	117.96
Final dividend – on cash basis	55.51	117.96
Net-worth	1,06,701.87	94,536.86
Earnings Per Share (₹)	19.12	13.72

### 6.1 ANALYSIS OF THE FINANCIAL PERFORMANCE OF THE COMPANY

A detailed analysis of the Audited Financial Results of the Company for the FY 2018-19 vis-à-vis FY 2017-18 is as under:-

#### (a) REVENUE FROM OPERATIONS (₹ in Lakh)

S.No.	Particulars	FY 2018-19	FY 2017-18	Change%
<b>A</b>	<b>Sale of Products</b>			
	(i) RAILNEER (Packaged Drinking Water)	17,202.28	16,225.25	6.02
	(ii) Catering	2,952.94	26,443.99	-88.83
	-Sale of Food & Beverages			
	(iii) Non-Railway Business			
	-Income from Catering	552.52	866.98	-36.27
	-Income from Other Services	13.00	2.26	475.22
	<b>(I) Total-Sale of Product</b>	<b>20,720.74</b>	<b>43,538.48</b>	<b>-52.41</b>



S.No.	Particulars	FY 2018-19	FY 2017-18	Change%
<b>B</b>	<b>Sale Of Service</b>			
	<b>i) Internet Ticketing</b>			
	Income From License Fee-Call Centre	21.17	135.24	-84.35
	Income from Advertisement/SBI CO-Branded Cards & Loyalty Cards	9,923.77	10,280.37	-3.47
	Income From Fees from IATA/RTSA/Internet Cafe, etc.	4,399.09	1,240.10	254.74
	Service Charges Earned-IR Tickets	5.85	5.54	5.60
	Reimbursement Against Service Charges	8,800.00	8,000.00	10.00
	<b>(a)</b>	<b>23,149.88</b>	<b>19,661.25</b>	<b>17.74</b>
	<b>ii) Income From Catering Services</b>			
	-Income from Catering & Comprehensive Service provided &-Income from on Board Catering & Other Services-Rajdhani/Shatabdi/ Premium Train	51,613.15	16,782.74	207.54
	<b>Income from Concession fees, Licence Fee etc</b>			
	Income from Concession Fee	2,604.52	377.32	590.27
	Income from Licence Fee	38,203.33	21,620.00	76.70
	Income from User Charges-Food Plaza	51.50	88.92	-42.08
	Income from Licence Fee-Food Plaza	6,389.59	5,207.57	22.70
	<b>(b)</b>	<b>98,862.09</b>	<b>44,076.55</b>	<b>124.30</b>
	<b>iii) Tourism</b>			
	- Travel & Tour Income	38,017.61	35,025.63	8.54
	- Income from User Charges-Rail Yatri Niwas	141.03	131.80	7.00
	- Income from Licence Fee-Rail Yatri Niwas	389.96	169.72	129.77
	- Maharaja Express-Revenue	5,382.75	4,381.92	22.84
	<b>(c)</b>	<b>43,931.35</b>	<b>39,709.07</b>	<b>10.63</b>
	<b>(II) Total-Sale Of Services (a+b+c)</b>	<b>1,65,943.32</b>	<b>1,03,446.87</b>	<b>60.41</b>
	<b>Other Operating Income</b>			
	Scrap Sale-Rail Neer	40.62	28.33	43.38
	Scrap Sale- Catering	12.83	1.59	706.92
	Scrap Sale-Non-Railway Catering	0.89	0.37	140.54
	License Fee -Rail Neer	105.17	101.09	4.04
	<b>(III) Total other operative income</b>	<b>159.51</b>	<b>131.38</b>	<b>21.41</b>
	<b>Revenue from Operation (Gross) (I+II+III)</b>	<b>1,86,823.57</b>	<b>1,47,116.73</b>	<b>26.99</b>

### (b) OTHER INCOME

(₹ in Lakh)

Particulars	FY 2018-19	FY 2017-18	Change%
<b>Interest Income</b>			
- Interest Income on FDR's & TDR's (Gross)	5,088.18	4,568.12	11.38
- Interest Income-Other	107.29	7.41	1,347.91
- Dividend Income from Mutual Fund	637.28	388.89	63.87
<b>(a)</b>	<b>5,832.75</b>	<b>4,964.42</b>	<b>17.49</b>
<b>Other Non-Operating Income</b>			
Contract Fine and Penalties received	1,103.85	986.65	11.88
Income from Duty Credit license under "Served from India Scheme"	98.84	72.82	35.73
- Miscellaneous Income	1842.25	1334.03	38.09
<b>(b)</b>	<b>3,044.94</b>	<b>2,393.50</b>	<b>27.22</b>
<b>Total (a+b)</b>	<b>8,877.69</b>	<b>7,357.92</b>	<b>20.65</b>



(c) EXPENSES

(₹ in Lakh)

Particulars	FY 2018-19	FY 2017-18	Change%
Expenses of Catering Services	63,191.55	23,266.58	171.60
Expenses of Tourism	30,900.81	30,520.42	1.25
Manufacturing & Direct Expenses	6,126.54	6,714.52	-8.76
Employee Benefit Costs	19,505.80	19,215.15	1.51
Financial Cost	234.86	290.76	-19.23
Depreciation & Amortization Expenses	2,863.96	2,366.11	21.04
Other Expenses	16,612.64	12,983.48	27.95

(d) NON CURRENT/CURRENT ASSETS

(₹ in Lakh)

Particulars	FY 2018-19	FY 2017-18	Change%
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	14,704.91	15,564.37	-5.52
(b) Capital work-in-progress	4,037.71	765.26	427.63
(c) Investment Property	2,765.59	2,761.56	0.15
(d) Other Intangible assets	754.80	656.39	14.99
(e) Financial Assets			
(i) Investments	0.32	0.32	-
(ii) Loans	239.17	205.88	16.17
(iii) Other Financial Assets	8.06	96.65	-91.66
(f) Deferred Tax Assets (Net)	8,171.99	6,362.27	28.44
(g) Other Non Current Asset	2,287.20	1,202.52	90.20
<b>Current Assets</b>			
(a) Inventories	788.87	740.60	6.52
(b) Financial Assets			
i. Trade Receivables	58,173.44	55,092.40	5.59
ii. Cash and Cash Equivalents	46,006.95	49,315.89	-6.71
iii. Bank Balances other than (ii) above	67,996.60	34,071.36	99.57
iv. Loans	835.15	898.62	-7.06
v. Others	3,473.00	1,706.54	103.51
(c) Current Tax Assets (Net)	1,008.46	828.21	21.76
(d) Other current assets	47,589.94	59,736.93	-20.33
<b>Total</b>	<b>2,58,842.17</b>	<b>2,30,005.78</b>	<b>12.54</b>

(e) NON CURRENT/CURRENT LIABILITIES

(₹ in Lakh)

Particulars	FY 2018-19	FY 2017-18	Change%
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities	1,472.24	2,423.18	-39.24
(b) Provisions	4,616.09	5,846.98	-21.05
(c) Other Non-Current Liabilities	581.01	693.45	-16.21
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	19,092.24	15,082.60	26.58
(ii) Others	60,742.92	51,070.06	18.94
(b) Other current liabilities	61,715.65	60,025.11	2.82
(c) Provisions	1,375.34	327.54	319.90
(d) Current Tax Liability (Net)	2,544.79	-	-
<b>Total</b>	<b>1,52,140.29</b>	<b>1,35,468.93</b>	<b>12.31</b>



### (f) CASH FLOWS

(₹ in Lakh)

Particulars	FY 2018-19	FY 2017-18	Change%
Net cash from operating activities	49,903.56	2,362.62	2,012.21
Net cash (used in) investment activities	(35,272.75)	4,020.63	(977.29)
Net cash from Financing activities	(17,939.75)	(5,679.06)	215.89
Cash and cash equivalents at the end of the year	<b>46,006.95</b>	<b>49,315.89</b>	<b>(6.71)</b>

### (g) MOU FOR THE YEAR 2018-19 WITH MINISTRY OF RAILWAYS

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

Particulars	MOU 2018-19 (for Excellent rating)	Actual 2018-19
Revenue from Operations (₹ Cr.)	1,400.00	1780.24
Operating Profit as percentage of revenue from operations (Net)	11.20	14.70
PAT / Net Worth (%)	13.52	24.72
CAPEX (₹ Cr.)	60	65.55
Trade Receivables (Net) as number of days of Revenue from Operations (Gross)	98	119.27

## 7) SEGMENT-WISE PERFORMANCE

IRCTC has main four business segments namely; Catering; Tourism; Internet Ticketing and Packaged drinking water "Railneer". Performances of the segments during the year as compared to the previous year are detailed below:

(₹ in Lakh)

Particulars	FY 2018-19	FY 2017-18	Change%
<b>Segmental Revenue</b>			
Catering	1,06,510.64	72,924.11	46.06
Railneer	18,029.05	16,690.99	8.02
Internet Ticketing	23,905.39	20,425.32	17.04
Tourism	25,804.57	18,935.98	36.27
State Teertha	19,457.49	21,059.00	(7.60)
<b>Segmental Profit</b>			
Catering	14,738.87	12,554.93	17.40
Railneer	3,340.17	3,338.03	0.06
Internet Ticketing	16,134.57	10,058.35	60.41
Tourism	2,777.66	-1,230.87	325.67
State Teertha	4915.89	4,753.01	3.43

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

IRCTC firmly believes in the strength of its most vital asset i.e. Human Resource. IRCTC has adopted and aligned its HR strategy vis-a-vis systems & procedures taking into account the business objectives and competence building needed for the organisation. IRCTC's HR philosophy is to act as a motivating factor for





the employees who contribute to the core competence of the organisation by creating a match between the Company's future needs and the aspirations of individual employees. Continues efforts are being taken by IRCTC to attract, acquire and deploy the best human capital and keep them motivated and engaged.

The details with respect to the number of employees with break-up are mentioned elsewhere in the report.

**9) 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.

**10) 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 **Appendix-“C”**.

**11) 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**

**Date : 26.07.2019**  
**Place : New Delhi**

**Sd/-**  
**(M.P. Mall)**  
**Chairman & Managing Director**  
**DIN:02316235**



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

## REPORT ON CORPORATE GOVERNANCE

### COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance philosophy of the Company is produced below:

***“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”.***

The Company has adopted the following key values for attainment of the Corporate Governance philosophy:

- 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.

### 1. BOARD OF DIRECTORS

#### 1.1 Strength of the Board:

IRCTC is 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.

In terms of the Articles of Association of the Company, the strength of our Board shall not be less than three Directors or more than fifteen Directors. These Directors may be either whole-time Directors or part time Directors.

#### 1.2 Composition of the Board:

The composition of the Board of the Company as on March 31, 2019 was in compliance with Companies Act, 2013 read with Rules made thereunder and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by DPE.

As on 31<sup>st</sup> March, 2019, the Board of Directors comprised of three whole-time Directors, including Chairman & Managing Director; two part-time Government Directors (representing Ministry of Railways), and six part-time (non-official) Directors. The detailed composition is mentioned below:

S.N.	Name of the Director	Position
<b>Whole Time Directors</b>		
1.	<b>Shri Mahendra Pratap Mall</b> (DIN: 02316235)	Chairman & Managing Director
2.	<b>Shri Sriram Venkatachalam</b> (DIN: 07445220)	Director (Catering Services)
3.	<b>Smt. Rajni Hasija</b> (DIN: 08083674)	Director (Tourism & Marketing)
<b>Part Time Government Directors</b>		
4.	<b>Smt. Smita Rawat</b> (DIN: 07670758)	ED (NFR & T), Railway Board
5.	<b>Shri Neeraj Sharma</b> (DIN: 08177824)	ED (PM), Railway Board



S.N.	Name of the Director	Position
<b>Part-time (non-official) Directors</b>		
6.	<b>Dr. Rabi Narayan Bohidar</b> (DIN: 00637818)	Independent Director
7.	<b>Dr. Dheeraj Sharma</b> (DIN: 07683375)	Independent Director
8.	<b>Smt. Kanak Aggarwal</b> (DIN: 00074469)	Independent Director
9.	<b>Prof. Sachin Chaturvedi</b> (DIN: 07960871)	Independent Director
10.	<b>Shri Comal Ramachandran Sundaramurti</b> (DIN: 07965899)	Independent Director
11.	<b>Ms. Sarita Deshpande</b> (DIN: 08098222)	Independent Director

During financial year 2018-19, the following changes occurred in the composition of the Board:

1. In accordance with the Ministry of Railways' Order No. 2018/E(O)II/5/9 dated May 24, 2018, Shri B. Prashanth Kumar, Ex-Executive Director (PM), Railway Board, ceased to be a member of the Board w.e.f. May 25, 2018 due to his appointment as MD & CEO in India International Convention and Exhibition Centre Ltd.
2. In accordance with the Ministry of Railways' letter no. 2016/E(O)II/40/18 dated May 18, 2018, Smt. Rajni Hasija (DIN: 08083674) was appointed as Director (Tourism & Marketing)/IRCTC on the Board of Company w.e.f. May 18, 2018.
3. In accordance with the Ministry of Railways' Order No. 2004/PL/49/1 dated June 26, 2018, Shri Neeraj Sharma (DIN: 08177824) was appointed as Part Time Government Director on the Board of Company w.e.f. July 12, 2018.

### 1.3 Age limit and tenure of Directors:

The age limit of the whole time Directors, including Chairman & Managing Director is 60 years, who are appointed generally 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. They play an important role in deliberations at Board and Committee meetings and effectively contribute to the decisions through their expertise in various fields by way of being part of various committees of the Board, viz. Audit Committee, Nomination & Remuneration Committee, CSR & SD Committee, Risk Management Committee, Stakeholders Relationship Committee etc.

## 2. 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. The detailed agenda notes, along with other explanatory statements, are circulated generally at least 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, 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.



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

### 2.1 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. If required, 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. Quarterly Report on Investment of Funds.
11. Action taken report on matters desired by the Board
12. Any other information as required under the Companies Act, 2013 or prevalent rules or guidelines as issued by the DPE from time to time.

### 3. NUMBER OF BOARD MEETINGS

During financial year 2018-19, 7 (seven) 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 2018-19 are given below:

S. No.	Board Meeting Number	Date of Meeting	Board Strength	No. of Directors present
1.	92 <sup>nd</sup>	27 <sup>th</sup> April, 2018	10	9
2.	93 <sup>rd</sup>	24 <sup>th</sup> July, 2018	11	10
3.	94 <sup>th</sup>	24 <sup>th</sup> August, 2018	11	10
4.	95 <sup>th</sup>	15 <sup>th</sup> November, 2018	11	8
5.	96 <sup>th</sup>	20 <sup>th</sup> December, 2018	11	11
6.	97 <sup>th</sup>	28 <sup>th</sup> February, 2019	11	10
7.	98 <sup>th</sup>	29 <sup>th</sup> March, 2019	11	9





### 4. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS HELD DURING 2018-19 AND THE LAST AGM AND THEIR MEMBERSHIPS/CHAIRMANSHIPS IN COMMITTEES AS ON 31<sup>ST</sup> MARCH, 2019:

S. No.	Name of Director	Meeting held during respective tenures of Directors	No. of Board Meetings Attended	Attendance at the last AGM (held on 27.09.2018)	Number of other Directorships held on 31.03.2019	Number of Committee memberships in companies as on 31.03.2019 (including IRCTC)	
						As Chairman**	As Member**
Whole Time Directors							
1.	Shri Mahendra Pratap Mall (DIN 02316235) Chairman & Managing Director	7	6	Present	NIL	NIL	NIL
2.	Shri Sriram Venkatachalam (DIN 07445220) Director (Catering Services)	7	5	Present	NIL	NIL	1 (Stakeholders Relationship Committee)
3.	Smt. Rajni Hasija (DIN 08083674) Director (Tourism & Marketing) (w.e.f. 18.05.2018)	6	6	Present	NIL	NIL	NIL
Part Time Government Directors							
4.	Shri Prashanth Kumar Balsavar (DIN 07189241) Ex-Executive Director (PM), Railway Board(upto 24.05.2018)	1	0	N.A.	NIL	NIL	NIL
5.	Smt. Smita Rawat (DIN 07670758) Executive Director (NFR & T), Railway Board	7	6	Present	NIL	NIL	NIL
6.	Shri Neeraj Sharma (DIN 08177824) Executive Director (PM), Railway Board (w.e.f. 12.07.2018)	6	5	Present	NIL	NIL	NIL
Part Time (non-official) (Independent) Directors							
7.	Dr. Rabi Narayan Bohidar (DIN: 00637818)	7	7	Present	i. Odisha Tourism Development Corporation Ltd.	1 (Audit Committee)	NIL
8.	Dr. Dheeraj Sharma (DIN: 07683375)	7	6	Present	i. The Punjab State Cooperative Milk Producer's Federation (State owned cooperative Society) ii. Alkem Laboratories Limited iii. NABARD Consultancy Services Private Limited	1 (Stakeholders Relationship Committee)	1 (Audit Committee)



11.	<b>Smt. Kanak Aggarwal</b> (DIN: 00074469)	7	7	Present	i. Khadi Humara Mantar Foundation ii. Quarry Intech Pvt. Ltd.	NIL	2 (Audit Committee & Stakeholders Relationship Committee)
12.	<b>Prof. Sachin Chaturvedi</b> (DIN: 07960871)	7	6	Absent	NIL	NIL	NIL
13.	<b>Shri Comal Ramachandran Sundaramurti</b> (DIN: 07965899)	7	6	Present	NIL	NIL	1 (Audit (Committee))
14.	<b>Ms. Sarita Deshpande</b> (DIN: 08098222)	7	7	Present	NIL	NIL	NIL

\*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/Stakeholders Relationship Committee alone has been taken into consideration.

- Note:
1. Directors/KMPs do not have any pecuniary relationships or transactions with the Company.
  2. No Director of the Company holds office at the same time as director in more than twenty (20) companies. 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.
  3. The Directorships and memberships/chairmanships are based on the latest disclosures received from respective Directors.

### 5. 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 part time Government Directors are officials of Ministry of Railways and thus related to the promoter. Since, IRCTC is an unlisted Company and the entire paid-up share capital of the Company is being held by 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 as per Ministry of Corporate Affairs (MCA) notification dated 13<sup>th</sup> June, 2017. Further, as per MCA notification dated 5<sup>th</sup> July, 2017, sub-paragraph (2) of paragraph IV of Schedule IV of Companies Act, 2013 regarding “the appointment of independent director(s) of the company shall be approved at the meeting of the shareholders” is also exempted for Government companies.

In view of above, the item related to retirement by rotation and appointment of directors has not been included in the Notice of the Annual General Meeting.

### 6. COMMITTEES OF BOARD

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has delegated certain matters to Committees of the Board set up for that purpose. The details of sub-committees of Board are mentioned below:

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

During the year, the sub - committees of Board of Directors as mentioned above have been reconstituted from time to time due to change in composition of the Board of Directors of the Company.



### 6.1 Audit Committee

#### a. Terms of reference:

The brief terms of reference of the Audit Committee, include, oversight of the company's financial reporting process; recommendation for remuneration of auditors of the company; approval of payment to statutory auditors for any other services rendered by the statutory auditors; reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, Reviewing, with the management, the quarterly financial statements before submission to the Board for approval; reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; approving initial or any subsequent modification of transactions of the company with related parties; scrutiny of inter-corporate loans and investments; evaluation of internal financial controls and risk management systems; Reviewing the adequacy of internal audit function, discussion with statutory auditors before the audit commences, about the nature and scope of audit, reviewing the functioning of the whistle blower mechanism; approval of appointment of chief financial officer (in case of below Board level appointment only) etc and carrying out any other function as prescribed by Companies Act, DPE guidelines and SEBI regulations from time to time.

#### b. Composition, Meetings and Attendance:

As on 31<sup>st</sup> March, 2019, the Audit Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Dr. Rabi Narayan Bohidar</b> Independent Director	Chairman
2.	<b>Dr. Dheeraj Sharma</b> Independent Director	Member
3.	<b>Smt. Kanak Aggarwal</b> Independent Director	Member
4.	<b>Shri Comal Ramachandran Sundaramurti</b> Independent Director	Member

The Audit Committee met 4 (four) times during the financial year 2018-19. 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 Audit Committee Meeting held during the year 2018-19 are given below:

S. No.	Audit Committee Meeting Number	Date of Meeting	Committee Strength	No. of Members present
1.	47 <sup>th</sup>	27 <sup>th</sup> April, 2018	4	4
2.	48 <sup>th</sup>	24 <sup>th</sup> August, 2018	4	3
3.	49 <sup>th</sup>	19 <sup>th</sup> December, 2018	4	4
4.	50 <sup>th</sup>	28 <sup>th</sup> March, 2019	4	4

Attendance of each member at the Audit Committee meetings held during 2018-19 is as under:

S. No.	Name of Members	Position	Number of Meetings		
			Held during the tenure of Director	Attended	% of Attendance
1.	<b>Dr. Rabi Narayan Bohidar</b> Independent Director	Chairman	4	4	100
2.	<b>Dr. Dheeraj Sharma</b> Independent Director	Member	4	4	100
3.	<b>Smt. Kanak Aggarwal</b> Independent Director	Member	4	4	100
4.	<b>Shri Comal Ramachandran Sundaramurti</b> Independent Director	Member	4	3	75



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 subject to their requirement 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.

## 6.2 Nomination and Remuneration Committee

### a. Terms of reference:

The brief Terms of Reference of the Nomination and Remuneration Committee, include deciding the annual bonus/ variable pay pool and policy for its distribution across executives and non-unionized supervisors as per applicable recommendations of Department of Public Enterprises; formulation and recommendation of HR policies relating to the perks/ allowances for senior management (one level below Board level) and other employees to BoD; framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas; performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

### b. Composition, Meeting & Attendance:

As on 31<sup>st</sup> March, 2019, the Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Dr. Dheeraj Sharma</b> , Independent Director	Chairman
2.	<b>Dr. Rabi Narayan Bohidar</b> , Independent Director	Member
3.	<b>Smt. Kanak Aggarwal</b> , Independent Director	Member
4.	<b>Shri Comal Ramachandran Sundaramurti</b> , Independent Director	Member

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

Director (Catering Services) and GGM (HRD) are permanent invitees to the Meeting of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee met 2 (two) times during the financial year 2018-19. The details of which are given below:

S. No.	Nomination & Remuneration Committee Meeting Number	Date of Meeting	Board Strength	No. of Directors Present
1.	13 <sup>th</sup>	27 <sup>th</sup> April, 2018	4	4
2.	14 <sup>th</sup>	19 <sup>th</sup> December, 2018	4	4

The details of the meetings of the committee held during the financial year 2018-19 and attendance by the members are as under:

S. No.	Name of Members	Position	Number of Meetings		
			Held during the tenure of Director	Attended	% of Attendance
1.	<b>Dr. Dheeraj Sharma</b> Independent Director	Chairman	2	2	100
2.	<b>Dr. Rabi Narayan Bohidar</b> Independent Director	Member	2	2	100
3.	<b>Smt. Kanak Aggarwal</b> Independent Director	Member	2	2	100
4.	<b>Shri Comal Ramachandran Sundaramurti</b> Independent Director	Member	2	2	100





### 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 Key Managerial Personnel (KMPs) of the Company during the financial year 2018-19 are given below:

(in ₹)

S. No.	Name of Directors	Salary	Perks	Other Benefits	Performance Award	Contribution to PF	Contribution to NPS/ FSC	Stock options*	Total
1.	<b>Shri Mahendra Pratap Mall</b> Chairman & Managing Director	42,63,998	7,07,530	41,61,419*	11,46,815	3,11,479	2,59,566	–	<b>1,08,50,807</b>
2.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	39,63,685	8,37,705	1,42,880	13,67,958	3,06,014	2,55,012	–	<b>68,73,254</b>
3.	<b>Smt. Rajni Hasija</b> Director (Tourism & Marketing) (w.e.f. 18.05.2019)	31,61,295	13,99,100	1,75,006	1,27,439	2,80,184	2,33,487	–	<b>53,76,511</b>
4.	<b>Smt. Suman Kalra</b> Company Secretary	17,41,634	4,24,444	-	1,73,413	1,55,869	1,29,890	–	<b>26,25,250</b>
5.	<b>Shri Ajai Sirivastava</b> GGM (Finance) & CFO	23,56,313	11,38,169	1,20,000	1,25,000	1,23,607	2,60,710	–	<b>41,23,799</b>
	<b>Total</b>	<b>1,54,86,925</b>	<b>45,06,948</b>	<b>45,99,305</b>	<b>29,40,625</b>	<b>11,77,153</b>	<b>11,38,665</b>	<b>–</b>	<b>2,98,49,621</b>

\*No stock option has been made available or offered by the Company during the year 2018-19 as the entire paid-up share capital is held by the Govt. of India.

# Includes medical reimbursement of ₹ 37,09,009/- for FY 2018-19.

### Remuneration to Government Directors:

The Part-time Government 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 2018-19 are given below:

(in ₹)

S. No.	Name of Independent Director	Sitting fee		Total
		Board Meeting	Committee Meetings	
1.	<b>Dr. Rabi Narayan Bohidar</b> Independent Director	1,05,000	1,95,000	3,00,000
2.	<b>Dr. Dheeraj Sharma</b> Independent Director	90,000	2,40,000	3,30,000
3.	<b>Smt. Kanak Aggarwal</b> Independent Director	1,05,000	1,05,000	2,10,000
4.	<b>Prof. Sachin Chaturvedi</b> Independent Director	90,000	1,35,000	2,25,000
5.	<b>Shri Comal Ramachandran Sundaramurti</b> Independent Director	90,000	90,000	1,80,000
6.	<b>Ms. Sarita Deshpande</b> Independent Director	1,05,000	90,000	1,95,000
	<b>Total</b>	<b>5,85,000</b>	<b>8,55,000</b>	<b>14,40,000</b>



### 6.3 CSR and SD Committee

#### a. Terms of Reference:

The brief Terms of Reference of the CSR & SD Committee, include formulation and recommendation to the Board, a CSR policy in accordance with Schedule VII of the Companies Act, 2013; review and recommend the amount of expenditure to be incurred on the CSR activities; assisting the Board of Directors to formulate strategies on CSR initiatives of the Company. Regarding Sustainable Development, the scope of work include approval of Sustainable Development policy guidelines and short, medium and long term SD plan; oversight of alignment of SD projects/activities with the organizations business goals and the national and international trends.

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

As on 31<sup>st</sup> March, 2019, the Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Shri Mahendra Pratap Mall</b> Chairman & Managing Director	Chairman
2.	<b>Smt. Smita Rawat</b> Part-time Government Director	Member
3.	<b>Dr. Rabi Narayan Bohidar</b> Independent Director	Member
4.	<b>Dr. Dheeraj Sharma</b> Independent Director	Member
5.	<b>Prof. Sachin Chaturvedi</b> Independent Director	Member
6.	<b>Ms. Sarita Despande</b> Independent Director	Member

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

Mr. Anoop Srivastava, GGM (Security), being the nodal officer of the CSR & SD Committee is permanent invitee to the meetings of the Committee.

The Committee met 6 (six) times during the year 2018-19. The details of which are given below:

S. No.	CSR & SD Committee Meeting Number	Date of Meeting	Committee Strength	No. of Members present
1.	20 <sup>th</sup>	27 <sup>th</sup> April, 2018	5	5
2.	21 <sup>st</sup>	24 <sup>th</sup> July, 2018	6	6
3.	22 <sup>nd</sup>	24 <sup>th</sup> August, 2018	6	6
4.	23 <sup>rd</sup>	20 <sup>th</sup> December, 2018	6	6
5.	24 <sup>th</sup>	28 <sup>th</sup> February, 2019	6	5
6.	25 <sup>th</sup>	28 <sup>th</sup> March, 2019	6	5

The details of the meetings of the Committee held and attendance by the members are as under:

S. No.	Name of Members	Position	Number of Meetings		
			Held during the tenure of Director	Attended	% of Attendance
1.	<b>Shri Mahendra Pratap Mall</b> Chairman & Managing Director	Chairman	6	5	83.33
2.	<b>Smt. Smita Rawat</b> Part-time Government Director	Member	6	6	100
3.	<b>Dr. Rabi Narayan Bohidar</b> Independent Director	Member	6	6	100
4.	<b>Dr. Dheeraj Sharma</b> Independent Director	Member	6	6	100
5.	<b>Prof. Sachin Chaturvedi</b> Independent Director	Member	6	5	83.33
6.	<b>Ms. Sarita Despande</b> Independent Director	Member (from 27.04.2018)	5	5	100



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

#### a. Terms of Reference:

The brief terms of reference of the Stakeholders Relationship Committee, include reporting the status of redressal of complaints received from the shareholders of the Company on quarterly basis, resolving grievances of shareholders', debenture holders and other security holders; allotment of Equity Shares; approval of transfer or transmission of Equity Shares, debentures or any other securities; Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

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

As on 31<sup>st</sup> March, 2019, the Committee comprised of the following members:

S. No.	Members	Position
1.	<b>Dr. Dheeraj Sharma</b> Independent Director	Chairman
2.	<b>Smt. Kanak Aggarwal</b> Independent Director	Member
3.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member

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

No meeting of the Stakeholders Relationship Committee was held during the financial year 2018-19.

### 6.5 Risk Management Committee:

#### a. Terms of Reference:

The brief terms of reference of the Risk Management Committee, include review and assessment of the risk management system and policy of the Company; review and recommendation of potential risk(s) involved in any new business plans and processes; obtaining outside legal or other professional advice; ensuring compliance with Risk Management Policy; review of organization wide risk portfolio; suggesting improvements to risk management techniques and lift management awareness, ensure communication of policies and standards to successive levels of management etc.

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

As on 31<sup>st</sup> March, 2019, the Committee comprised the following members:

S. No.	Members	Position
1.	<b>Shri Mahendra Pratap Mall</b> Chairman & Managing Director	Chairman
2.	<b>Shri Sriram Venkatachalam</b> Director (Catering Services)	Member
3.	<b>Smt. Rajni Hasija</b> Director (Tourism & Marketing)	Member
4.	<b>Shri Neeraj Sharma</b> Part-time Government Director	Member
5.	<b>Dr. Dheeraj Sharma</b> Independent Director	Member
6.	<b>Prof. Sachin Chaturvedi</b> Independent Director	Member

Shri Anoop Srivastava, GGM (Security) as Chief Risk Officer and Law Officer are permanent invitees to the meetings of the Committee.

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

The Committee met 3 (three) times during the year 2018-19. The details of which are given below:

S. No.	Risk Management Committee Meeting Number	Date of Meeting	Committee Strength	No. of Members present
1.	3 <sup>rd</sup>	24 <sup>th</sup> July, 2018	4	4
2.	4 <sup>th</sup>	19 <sup>th</sup> December, 2018	6	5
3.	5 <sup>th</sup>	28 <sup>th</sup> March, 2019	6	4



The details of the meetings of the Committee held and attendance by the members are as under:

S. No.	Name of Members	Position	Number of Meetings		
			Held during the tenure of Director	Attended	% of Attendance
1.	<b>Shri Mahendra Pratap Mall</b> Chairman & Managing Director	Chairman	3	3	100
2.	<b>Shri. Sriram Venkatachalam</b> Director (Catering Services)	Member	3	2	66.67
3.	<b>Smt. Rajni Hasija</b> Director (Tourism & Marketing)	Member (from 24.07.2018)	2	2	100
4.	<b>Shri Prashanth Kumar Balsavar</b> Part-time Government Director	Member (upto 24.05.2018)	0	NA	NA
5.	<b>Shri Neeraj Sharma</b> Part-time Government Director	Member (from 24.07.2018)	2	0	-
6.	<b>Dr. Dheeraj Sharma</b> Independent Director	Member	3	3	100
7.	<b>Prof. Sachin Chaturvedi</b> Independent Director	Member	3	3	100

### Other Functional Committees:

#### 6.6 IPO Committee

In accordance with the articles of association of the Company, the IPO Committee of IRCTC comprising of Chairman & Managing Director, Director (Finance) and Director (Catering Services), Director (Tourism & Marketing) & Smt. Kanak Aggarwal, Independent Director was constituted by the Board in its 87<sup>th</sup> Board meeting held on 28<sup>th</sup> July, 2017 to take speedy decisions w.r.t. matters related to IPO of the Company on behalf of the Board of Directors as per approved terms & reference of the committee.

No meeting of the IPO Committee was held during the financial year 2018-19.

#### 6.7 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.

#### 6.8 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 upto E-6 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 2018-19 on 25<sup>th</sup> May, 2018, 15<sup>th</sup> June, 2018, 02<sup>nd</sup> July, 2018, 08<sup>th</sup> August, 2018, 04<sup>th</sup> September, 2018 and 05<sup>th</sup> February, 2019. 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.





### 6.9 Administrative Committee

Administrative Committee has been constituted to deal with the matters related to approvals for opening and closing of Bank Accounts; 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 comprises of Chairman & Managing Director, Director (Finance), Director (Tourism & Marketing) and Director (Catering Services).

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

During the financial year 2018-19, 3 (three) meeting of Administrative Committee were held on 30<sup>th</sup> May, 2018, 20<sup>th</sup> July, 2018 and 20<sup>th</sup> November, 2018 and all members of the Committee attended the meeting.

### 6.10 Share Transfer Committee

The Board of Directors has authorized Company Secretary as one member committee for and on behalf of the Board to execute the transfer of shares as and when the request(s) for the same is received from Ministry of Railways. On the basis of the advice received from Ministry of Railways, share transfers were executed thrice during the year 2018-19 i.e. on 11<sup>th</sup> April, 2018, 23<sup>rd</sup> July, 2018 and 18<sup>th</sup> March, 2019.

### 7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors as required in terms of Schedule IV of Companies Act, 2013 and Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs was held on March 29, 2019. All the Independent Directors attended the said Meeting and the minutes of the meeting were put up to the Board of Directors.

#### Declaration by Independent Director

During financial year 2018-19, all the Independent Directors in the first meeting of the Board in which they participated as a Director and in the first meeting of the Board of the financial year, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

### 8. GENERAL BODY MEETINGS

#### i. Annual General Meeting (AGM)

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

AGM	Financial Year	Date	Day	Time	Location	Special Resolution Passed
17 <sup>th</sup>	2015-16	27.09.2016	Tuesday	1200 Hrs.	Conference Hall, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001	No
18 <sup>th</sup>	2016-17	20.09.2017	Thursday	1100 Hrs.	Conference Hall, 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001	No
19 <sup>th</sup>	2017-18	27.09.2018	Thursday	1500 Hrs.	Committee Room (Room No.237), 2 <sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001	Yes i. To approve amendment in object clause of Memorandum of Association of the Company. ii. To adopt the new set of Articles of Association of the Company.



### i. Extra-ordinary General Meeting (EGM)

During financial year 2018-19, the Company held its 2<sup>nd</sup> Extraordinary General Meeting (EGM) on 29<sup>th</sup> March, 2019, where shareholders approved the proposal for issue of fully paid up bonus shares to the existing shareholders of the Company in the ratio of 3:1 i.e. three bonus shares of ₹ 10/- each for every equity share held of ₹ 10/- each by existing shareholders by capitalization of ₹ 120 crore from reserves and surplus of the Company

Details of Extra-ordinary General Meeting (EGM) of the company held during the year 2018-19 are as under:

AGM	Financial Year	Date	Day	Time	Location	Special Resolution Passed
2 <sup>nd</sup>	2018-19	29.03.2019	Friday	1100 Hrs.	Committee Room (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.
- The Company has not entered into any material, financial and commercial transactions, with the Director(s) 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 Financial Statements for the financial year 2018-19 have been prepared as per the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013.
- 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.
- 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'.
- 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 have 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).
- 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 10.94 % of total expenses in the year 2018-19.

## 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) 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.



### 11. TRAINING OF BOARD MEMBERS

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 and 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. Details of external training imparted to Independent Directors during the year 2018-19 are as follows::

- i. Ms. Sarita Deshpande, Independent Director, attended Orientation Programme on "Capacity Building of Newly Appointed Non-official Directors of Central Public Sector Enterprises" which was organized by DPE on 18<sup>th</sup> & 19<sup>th</sup> February, 2019.

### 12. AUDIT QUALIFICATIONS

The Company has been putting all the efforts to ensure a regime of unqualified financial statements.

### 13. GENERAL INFORMATION FOR SHAREHOLDERS

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

Date: 28<sup>th</sup> August 2019

Time: 1630 Hours

Venue: Committee Room (Room No. 237), 2<sup>nd</sup> Floor, Rail Bhawan, New Delhi-110001

#### b. Percentage of shareholding as on 31.03.2019:

Category	No. of Shares held	% of shareholding
Central Government (Ministry of Railways) in the name of President of India and its nominees	16,00,00,000	100
<b>Total</b>	<b>16,00,00,000</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)

### 14. CEO/CFO CERTIFICATION

A certificate duly signed by Mr. M.P. Mall, Chairman & Managing Director (CEO) and Mr. Ajai Srivastava, GGM (Finance) as CFO was placed before the Audit Committee in its 51<sup>st</sup> meeting held on 26<sup>th</sup> July, 2019 and then Board of Directors in its 100<sup>th</sup> meeting held on same day. The duly signed certificate as presented to the Audit Committee and Board of Directors is placed as **Appendix – "B-2"**.

### 15. RATING ON CORPORATE GOVERNANCE BY DEPARTMENT OF PUBLIC ENTERPRISES

Your Company has submitted 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 2017-18. On the basis of self evaluation, the Company expects to achieve an "Excellent" rating for the year 2018-19 also.



**16. 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 **Appendix – “B-3”**.

**17. SECRETARIAL AUDIT**

M/s Akhil Rohtagi & Company, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report for the financial year 2018-19 is annexed as **Appendix-“E”** to this Report.

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

**Sd/-**

**(M.P. Mall)**

**Chairman & Managing Director**

**DIN:02316235**

**Date : 26.07.2019**

**Place : New Delhi**

**Appendix "B-1"****DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2018-19**

I, M.P. Mall, 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 2018-19.

**Date : 26.07.2019**  
**Place : New Delhi**

**Sd/-**  
**(M.P. Mall)**  
**Chairman & Managing Director**  
**DIN:02316235**

**Appendix "B-2"****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, 2019 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 2018-19 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 2018-19.
  - b. There have been no significant changes in accounting policies during the year 2018-19.
  - c. There have been no instances of significant fraud of which we are 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)**  
**CMD**  
**(CEO)**  
**DIN: 02316235**

**Sd/-**  
**(Ajai Srivastava)**  
**GGM (Finance) &**  
**CFO**

**Date : 26.07.2019**  
**Place : New Delhi**





**Appendix “B-3”**

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

Address : Flat No. 211, Pocket A/3,  
Sector-7, Rohini, New Delhi,  
Pin Code -110085  
Mobile: 9811387946  
E mail : balikasharma@gmail.com

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**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members,**  
**Indian Railway Catering and Tourism Corporation Limited**  
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, 2019 as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprise (DPE), Government of India.

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

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

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

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

**Sd/-**

**Balika Sharma & Associates  
(Company Secretaries)  
FCS No.: 4816  
CP No.: 3222**

**Place : New Delhi  
Date : 24.07.2019**



Appendix – “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:**

**Vision**

*“To remain a frontrunner for impacting the lives of socially and economically deprived, and working towards a sustainable, inclusive developmental change over a horizon of time through the corporate social responsibility activities at IRCTC”*

**Mission**

*“IRCTC will establish itself as a frontrunner in the CSR projects taken up under the Schedule VII of the Section 135 of the Companies Act, 2013. IRCTC through its CSR & Sustainability initiatives shall endeavor to achieve the value behind CSR & Sustainability Policy”.*

IRCTC is committed to implement Corporate Social Responsibility & Sustainability activities in a planned and time bound manner. The Corporate Social Responsibility (hereinafter referred as CSR) & Sustainability are essential components of Corporate Governance. The emerging concept of CSR & Sustainability goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process.

The CSR policy document (manual) encompasses IRCTC's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

During the year 2018-19, for smooth implementation of CSR projects by the Company, scientific methodology has been framed with the assistance of Indian Institute of Technology, Mumbai to analyze and select the CSR proposals. While selecting CSR activities / projects from the activities listed in Schedule VII of the Companies 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.

For FY19, your Company has undertaken numerous initiatives towards CSR & Sustainability activities in the field of healthcare and school education in Aspirational Districts as per the guidelines of DPE. Broad details of the activities undertaken during FY 2018-19 are as under:

**i. Development of Aspirational District:**

As per the guidelines of DPE, IRCTC took initiative to provide financial assistance in the area of **“School Education & Healthcare”** to following Aspirational Districts:

- a) Manipur, Chandel
- b) Tripura, Dhalai
- c) Madhya Pradesh, Vidisha
- d) Chhattisgarh, Korba
- e) Jharkhand, Ranchi
- f) Odisha, Gajapati
- g) Uttar Pradesh, Balrampur
- h) Haryana, Mewat
- i) Madhya Pradesh, Chhatarpur
- j) Odisha, Kandhamal
- k) Uttar Pradesh, Shravasti



In FY 2018-19, ₹ 22,50,000/- were released for infrastructure support in rural schools in Chandel District of Manipur under “School Education” and ₹ 15,00,000/- for provision of sanitary napkin vending machines in Vidisha district of Madhya Pradesh under “Healthcare” sector.

### ii. PET Bottle Crusher at various railway stations:

IRCTC successfully installed 50 PET Bottle Shredder machines at Howrah Division, Hyderabad Division, Ranchi Division, Delhi Division, Vijaywada Division, Lucknow Division and Mumbai Division at a total cost of ₹57.23 lacs.



### iii. Provision of Golf Carts at Parliament House of India:

To support differently abled staff and to support sanitation and environment, two golf carts were provided at a total cost of ₹ 9,26,800/- at Parliament House of India.

### iv. Financial Assistance for “Ekal Vidyalayas”:

IRCTC provided financial assistance for meeting operational cost of “Ekal Vidyalayas” through NGO Bharat Lok Shiksha Parishad under the title “Ekal Abhiyan”. Ekal Vidyalayas under Ekal Abhiyan were set up in Aspirational District Udham Singh Nagar in Uttarakhand by the NGO. Total financial assistance provided to Bharat Lok Shiksha Parishad was ₹ 20,00,000/-



### v. Strengthening sanitation infrastructure in rural Bihar and West Bengal by introducing nature friendly sanitation technology through entrepreneurship model:

IRCTC took initiative for strengthening sanitation infrastructure in rural Bihar and West Bengal by introducing nature friendly sanitation technology through entrepreneurship model. The project with total cost of ₹10,00,000/- was executed through NGO-Sarva Seva Samity Sanstha.



**vi. Provision of Water Purifier and Refrigerator:**

The Company provided water purifier with Hot and Cold Water Dispensing facility to “Prayas”- a Northern Railway initiative with Railway Protection Force (RPF) for Runaway Children. Company also supported Self-Help Group for women workers of Masala Chakki Unit and Sanitary Napkin Units of Indian Railway Women's Welfare Organization.

**vii. Financial Assistance for purchase of Embosser for Braille Printing with Hindi Software and Broadcasting for blind school:**

IRCTC took initiative under Social Empowerment & Education by providing funds for purchase of Embosser for Braille Printing with Hindi Software and Broadcasting for “Janta Adarsh Andh Vidyalaya” at a total cost of ₹5,90,000/-.

**viii. Financial Support to “Priyali” for distribution of Solar Lamps:**

To support the environment and to encourage use of solar energy, IRCTC provided solar lamps to needy families through Prichay Foundation under the project “Priyali” with total cost of ₹ 5,00,000/-



**ix. Development of villages Near Rail Neer Plants:**

An initiative was taken by the company to provide solar street lights, toilets in schools and water coolers with RO water purifier at nearby villages near the Rail Neer Plants.

In the first phase, Villages near RNP-Amethi were provided with Solar Street Lights and Water Coolers with RO water purifiers. Villages near RNP-Palur and RNP-Bilaspur were provided with toilets for girls' schools and government schools for under privileged children. The total cost of the projects at various locations was ₹ 38,89,350/-.







### x. Financial Assistance for Promotion of Sports:

In pursuit of “Healthy India” mission and to promote sports, IRCTC took initiative to support sports infrastructure in North and North Eastern India by providing ₹ 50,00,000/- to Nowgong Sports Association towards Upgradation of Nurul Amin Stadium, Nagaon (Assam) . IRCTC also provided ₹ 22,00,000/- to Satya Foundation for purchase of Wrestling and Kabaddi Mattress.

### xi. Financial Support for Promotion of National Heritage:

Company took CSR initiative to promote National Heritage by providing designer benches and garden canopies at National Rail Museum, New Delhi.

### xii. Infrastructure support for setting up kitchens for “Kuposhan Se Suposhan” project:

Company provided financial assistance for setting up of 4-5 kitchen to NGO-Shri Kamta Prasad Memorial Shikshan Samiti for their project “Kuposhan Se Suposhan Ki Aur” for eradicating hunger, poverty and malnutrition. Total cost of the project was ₹ 20,00,000/-

### xiii. Financial Assistance for Cancer Patients:

IRCTC provided financial assistance of ₹16,91,000/- to Rotary Ambala Cancer & General Hospital for purchase of medical equipments for their new ICU facility.

### xiv. Financial assistance to sponsor equipments for blood transfusion centre for patients of Thalassemia and Leukemia (Blood Cancer):

A financial assistance of ₹ 32,00,000/- was provided for setting up of blood transfusion centre for patients of Thalassemia and Leukemia (Blood Cancer) at Ranchi (Jharkhand) and Mewat (Haryana) through a NGO – The Wishing Factory.

### xv. Contribution of CSR funds towards Swachh Bharat Activities:

In accordance with the DPE guidelines regarding “Allocation of CSR Funds by CPSE for Swachh Bharat Activities”, the company allotted more than the minimum requirement of 33% of CSR funds. IRCTC contributed ₹1,68,10,381/- this year to Swachh Bharat Kosh.

### xvi. Contribution of CSR funds towards Namami Gange Kosh:

For preservation of water resources and our rivers, IRCTC took initiative to contribute ₹ 1,68,10,381/-towards Clean Ganga Fund under Namami Gange Mission.

### 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, 2019:**

<b>Shri M. P. Mall</b> , Chairman & Managing Director	:	Chairperson
<b>Smt. Smita Rawat</b> , Executive Director (NFR &T)/Railway Board & Part Time Government Director	:	Member
<b>Dr. Rabi Narayan Bohidar</b> , Independent Director	:	Member
<b>Dr. Dheeraj Sharma</b> , Independent Director	:	Member
<b>Prof. Sachin Chaturvedi</b> , Independent Director	:	Member
<b>Ms. Sarita Deshpande</b> , Independent 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 of departments depending upon the nature of project being undertaken and includes a member from Finance as the 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 Lakh)	Average Net Profit (₹ in Lakh)
1	2015-16	30681	32702
2	2016-17	33237	
3	2017-18	34189	

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

₹ 654 Lakh for the year 2018-19 ( 2% of Average Net Profit during preceding three Financial years)

### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2018-19

- (a) Total amount to be spent for the financial year: ₹ 678.29 (Including unspent amount of ₹ 24.29 Lakh of FY 2017-18)
- (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 2018-19		Total expenditure for the year 2018-19 (₹ in lakhs)	Cumulative expenditure up to 31.03.2019 (₹ in lakhs)	Amount spent: Direct or through implementing agency
			Local area or other 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)			
<b>(I) Aspirational Districts</b>									
1	Manipur, Chandel	Education	Chandel	22,50,000	22,50,000	–	22,50,000	22,50,000	District Commissioner, Chandel
2	Madhya Pradesh, Vidisha	Healthcare	Vidisha	15,00,000	15,00,000	–	15,00,000	15,00,000	CEO Zila Parishad, Vidisha
<b>(II) Other Activities</b>									
1	Two nos. of Golf Carts in Parliament	Sanitation & Environment	New Delhi	9,26,800	9,26,800	–	9,26,800	9,26,800	Direct (Maini Materials Movement Pvt. Ltd.)
2	Supply & Installation of 50 nos. Pet Bottle Shredder Machines at Various Railway Stations.	Environment	Various Stations	57,23,000	57,23,000	–	57,23,000	57,23,000	Direct (Avanti Business Machines Ltd. (₹ 21,74,740/-) Shredders & Shredding Co. (₹ 35,48,260/-))
3	Financial Assistance to Bharat Lok Shiksha arishad for running Ekal Vidyalayas under the title "Ekal Abhiyan".	Education	Udham Singh Nagar Uttarakhand	20,00,000	20,00,000	–	20,00,000	20,00,000	NGO-BSLP
4	Strengthening sanitation infrastructure in rural Bihar and West Bengal by introducing nature friendly sanitation technology through entrepreneurship model.	Sanitation & Environment	Rural Bihar & West Bengal	10,00,000	10,00,000	–	10,00,000	10,00,000	NGO-Sarva Seva Samity Sdanstha



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 2018-19		Total expenditure for the year 2018-19 (₹ in lakhs)	Cumulative expenditure up to 31.03.2019 (₹ in lakhs)	Amount spent: Direct or through implementing agency
			Local area or other 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)			
5	Purchase of water purifier for Railway Prayas Project at New Delhi Railway Station.	Drinking Water	New Delhi	48,500	35,500	–	35,500	35,500	Direct - Truman Innovations Private Limited
6	Purchase of 01 no. Refrigerator for Women Worker of Masala Chakki and Sanitary Napkin of Indian Railway Women Welfare Organisation.	Drinking Water	New Delhi	22,500	22,500	–	22,500	22,500	Direct - R.K. Vision
7	Financial Support for Procurement of Embosser for Braille Printing with Hindi Software and Broadcasting System in Vidyalaya.	Social Empowerment & Education	New Delhi	5,90,000	5,90,000	–	5,90,000	5,90,000	Janta Adarsh Andh Vidyalaya
8	Financial support for the project "Priyali" Solar Lamps distribution project	Social Empowerment & Environment	Odisha	5,00,000	5,00,000	–	5,00,000	5,00,000	Parichay Foundation
9	Preparation of Vision Document & Road Map for 2018-2023 by IIT Bombay		Consultancy	8,53,612	8,53,612	–	8,53,612.	8,53,612.	IIT Bombay
10	Provision of Solar Street Lights at Villages near Rail Neer Plant at Amethi	Social Empowerment & Environment	Amethi	6,25,000	6,25,000	–	6,25,000	6,25,000	Direct - Mature Media India Pvt. Ltd.
11	Installation of 05 nos. Water Vending Machines/ Water Coolers and RO Water Purified at Amethi.	Drinking Water	Amethi	7,67,500	7,67,500	–	7,67,500	7,67,500	Direct - Mature Media India Pvt. Ltd.
12	Social Work Service Organisation for Construction of Toilet Complex at Bilaspur Rail Neer Plant	Sanitation & Environment	Parsada (Bilaspur)	9,96,500	8,96,850	–	8,96,850	8,96,850	Sulabh International Social Service
13	Construction of two toilets by M/s Sulabh International Social Service Organisation- Tamilnadu State Branch (NGO) @ ₹8 lakh per toilet.	Sanitation & Environment	Palur	16,00,000	16,00,000	–	16,00,000	16,00,000	Sulabh International Social Service
14	Financial Assistance to Nowgong Sports Association towards up-gradation of Sporting Infrastructure of the Nurul Amin Stadium, Nagaon (Assam)	Sports Infrastructure	Assam	50,00,000	50,00,000	–	50,00,000	50,00,000	Nowgong Sports Association
15	Financial support towards "06 Wrestling, Kabaddi Mattresses, Mobile Van, 02 laptops and printers etc." for the project "Pride of Baghpat".	Sports Infrastructure	Baghpat	22,00,000	22,00,000	–	22,00,000	22,00,000	Satya Foundation



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 2018-19		Total expenditure for the year 2018-19 (₹ in lakhs)	Cumulative expenditure up to 31.03.2019 (₹ in lakhs)	Amount spent: Direct or through implementing agency
			Local area or other 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)			
16	Financial support for procurement of furniture and gadgets for M/s Voice of World inclusive school and inclusive Library at their Saltighat Campus	Social Empowerment	West Bengal	15,00,000	2,64,498	–	2,64,498	2,64,498	Voice of World
17	To purchase 02 nos. of Pet Bottle Crushing Machines at Rameshwaram and Madurai Railway Stations.	Environment Stations.	Rameshwaram and Madurai Railway	60,00,000	2,28,920	–	2,28,920	2,28,920	Direct - Avanti Business Machines
18	Provision of 15 nos. designer garden bench, 35 nos. plain garden bench and 10 nos. garden canopy for children, senior citizen and differently abled visitors inside National Rail Museum, New Delhi.	Protection of National Heritage	New Delhi	12,98,590	12,33,690	–	12,33,690	12,33,690	Direct - Mahender & Sons
19	Providing Infrastructure of 4-5 kitchens to Sh. Kamta Prasad Memorial Shikshan Samiti for Malnutrition to Nutrition under the project titled "Kuposhan se Suposhan Ki Aur" for 05 nos. districts at Mdhya Pradesh for 125 Workshops.	Eradication of Hunger, Poverty & Malnutrition	Madhya Pradesh	20,00,000	20,00,000	–	20,00,000	20,00,000	Sw. Kamata Prasad Memorial Shikshan Samiti
20	Health check up camp at West Zone	Healthcare	Maharashtra	1,00,000	1,00,000	–	1,00,000	1,00,000	Directly by Company
21	Financial support to Rotary Ambala Cancer & General Hospital for equipments of new ICU at Rotary Ambala Cancer & General Hospital	Healthcare	Ambala	16,91,000	16,91,000	–	16,91,000	16,91,000	Rotary Ambala Cancer & General Hospital
22	Financial support to Wishing Factory for provision of Infusion Pumps and Blood Filters to Patients at Mewat (Haryana) and Ranchi (Jharkhand)	Healthcare	Mewat, Ranchi	32,00,000	32,00,000	–	32,00,000	32,00,000	The Wishing Factory
23	Swacch Bharat Kosh	Sanitation & Environment	New Delhi	1,68,10,381	168,10,381	–	168,10,381	168,10,381	Swacch Bharat Kosh
24	Namami Gange Kosh	Sanitation & Environment	New Delhi	168,10,381	168,10,381	–	168,10,381	168,10,381	Namami Gange Kosh
	<b>Total Amount Spent in FY 2018-19</b>				<b>688,29,632</b>	<b>–</b>	<b>688,29,632</b>	<b>688,29,632</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**

NIL

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/-  
(Anoop Srivastava)  
CSR Nodal Officer**

**Sd/-  
(M.P. Mall)  
Chairman & Managing Director  
DIN:02316235**

**Place : New Delhi**

**Date : 26.07.2019**



### Appendix – “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, 2019

[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	Not Applicable

#### 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	–	12.34%
2	Catering & Hospitality	–	54.99%
3	Travel & Tourism	–	13.32%
4	State Teertha	–	10.04%

#### 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	Royale Indian Rail Tours Limited 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 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				%Change during the year
	Demat	Physical	Total	% of Total shares	Demat*	Physical*	Total*	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	0	4,00,00,000	4,00,00,000	100%	15,99,99,944	56	16,00,00,000	100%	300.00
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	–	–	–	–	–	–	–	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Others	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):–	0	4,00,00,000	4,00,00,000	100%	15,99,99,944	56	16,00,00,000	100%	300.00
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Others	–	–	–	–	–	–	–	–	–
Sub-Total (A) (2):–	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A) (1) + (A)(2)	0	4,00,00,000	4,00,00,000	100%	15,99,99,944	56	16,00,00,000	100%	300.00
B. Public Shareholding									
(1) Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks / FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital	–	–	–	–	–	–	–	–	–
i) Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):–	0	0	0	0.00	0	0	0	0	0.00
2. Non Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):–	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	0	4,00,00,000	4,00,00,000	100%	15,99,99,944	56	16,00,00,000	100%	300.00

\* Details of Shareholders holding shares demat as well as in physical form is enclosed herewith.



### ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% 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	4,00,00,000	100%	0.00	16,00,00,000	100%	0.00	300.00
	<b>Total</b>	<b>4,00,00,000</b>	<b>100%</b>	<b>0.00</b>	<b>16,00,00,000</b>	<b>100%</b>	<b>0.00</b>	<b>300.00</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	4,00,00,000	100%	4,00,00,000	100%
2.	Date 29.03.2019 Increase in Promoters Share holding during the year Reasons for increase: Issue of Bonus Share (3:1)	12,00,00,000	100%	16,00,00,000	100%
3.	At the end of the year	16,00,00,000	100%	16,00,00,000	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	<b>Not Applicable</b>			
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 (01.04.2018)</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 (31.03.2019)</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			
		Shri M.P. Mall Chairman & Managing Director	Shri V. Sriram Director (Catering Services)	Smt. Rajni Hasija Director (Tourism & Marketing) (Appointed w.e.f. 18.05.2018)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	59,81,858	58,92,669	38,02,405	1,56,76,932
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	7,07,530	8,37,705	13,99,100	29,44,335
	(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	37,09,009	—	—	37,09,009
	2. Electricity expenses	97,650	22,880	21,006	1,41,536
	3. TADK	3,54,760	1,20,000	1,54,000	6,28,760
	Total (A)	1,08,50,807	68,73,254	53,76,511	2,31,00,572
	Ceiling as per the Act*	Not Applicable			

\*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:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	Independent Directors	Dr. Rabi Narayan Bohidar	Dr. Dheeraj Sharma	Mrs. Kanak Aggarwal	Mr. C.R. Sundaramurti	Prof. Sachin Chaturvedi	Ms. Sarita Deshpande	
a)	Fee for attending Board/ Committee meetings	3,00,000	3,30,000	2,10,000	1,80,000	2,25,000	1,95,000	14,40,000
b)	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c)	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	3,00,000	3,30,000	2,10,000	1,80,000	2,25,000	1,95,000	14,40,000
2.	Other Non-Executive Directors	Mr. Neeraj Sharma (Appointed w.e.f. 12.07.2018)			Ms. Smita Rawat			Total Amount
a)	Fee for attending Board/ Committee meetings	NIL			NIL			NIL
b)	Commission	NIL			NIL			NIL
c)	Others, please specify	NIL			NIL			NIL
	Total (2)	NIL			NIL			NIL
	Total (B)=(1+2)	NIL			NIL			14,40,000
	Total Managerial Remuneration	Not Applicable						
	Overall Ceiling as per the Act	Not Applicable						

\*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.

### 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	–	22,00,806	28,65,630	50,66,436
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	4,24,444	11,38,169	15,62,613
	(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	–	–	–	–
	1. Medical Reimbursement	–	–	–	–
	2. Electricity expenses	–	–	–	–
	3. TADK	–	–	1,20,000	1,20,000
	<b>Total</b>	–	26,25,250	41,23,799	67,49,049

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

**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**

**Date : 26.07.2019**  
**Place : New Delhi**

**Sd/-**  
**(M.P. Mall)**  
**Chairman & Managing Director**  
**DIN:02316235**





### Details of Shareholders of the Company as on 31<sup>st</sup> March, 2019

S. No.	Name of Shareholders	No. of Shares held in demat form	No. of Shares held in physical form	Amount per Share (₹)	% of Shareholding
1	President of India (POI)	15,99,99,944	—	10/-	99.999965%
2	Mr. V. K. Yadav Chairman Railway Board	—	8	10/-	0.000005%
3	Mr. Girish Pillai Member Traffic, Railway Board	—	8	10/-	0.000005%
4	Mr. Vijay Kumar Financial Commissioner (L/A), Railway Board	—	8	10/-	0.000005%
5	Mr. Vishwesh Chaube, Member Engineering, Railway Board	—	8	10/-	0.000005%
6	Mr. Sushant Kumar Mishra, Secretary Railway Board	—	8	10/-	0.000005%
7	Mr. Anurag Addl. Member (TT) Railway Board	—	8	10/-	0.000005%
8	Mr. Sunil Mathur Addl. Member (T&C) Railway Board	—	8	10/-	0.000005%
	<b>Total</b>	<b>15,99,99,944</b>	<b>56</b>		<b>100%</b>



Appendix - "E" to the Directors' Report

**AKHIL ROHATGI & COMPANY**

Company Secretaries  
21, Shamnath Marg, Civil Lines, Delhi-110054.  
Phone : 011-23926504, 9810690633, 8527087435  
Email : rohatgi.co.secy@gmail.com  
csdelhi84@gmail.com

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2019

*[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 Railways 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, 2019 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 Railways Catering and Tourism Corporation Limited for the financial year ended on 31<sup>st</sup> March, 2019 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 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. Consumer Protection Act 1986
- g. Information Technology Act 2000
- h. The Micro, Small and Medium Enterprises Development Act, 2006
- i. Sexual Harassment of Women at Workplace Act 2013
- j. Environmental laws as applicable.
- k. 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 time to time.

During the period under review, as per explanations and clarifications given to us and representations made by the Management, the Company has complied with substantially the whole of the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that the Board is duly constituted with proper balance of Executive Directors Non Executive Directors and Independent Directors. 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.

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. However in certain cases the meetings was held by giving shorter notice and in respect which applicable provisions of Companies Act 2013 had been complied with. 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 member 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 commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review the Company has issued 120,000,000 bonus equity shares of Rs. 10 each aggregating Rs. 1,200,000,000 on 29/03/2019 in the ratio of 3:1.

**For Akhil Rohatgi & Co**  
Company Secretaries  
FRN: P1995DE072900

Sd/-  
**Deepak Kumar**  
Partner  
FCS No.: 10189  
CP No: 11372

**Date : 02.08.2019**  
**Place : New Delhi**



**AKHIL ROHATGI & COMPANY**

Company Secretaries  
21, Shamnath Marg, Civil Lines, Delhi-110054.  
Phone : 011-23926504, 9810690633, 8527087435  
Email : rohatgi.co.secy@gmail.com  
csdelhi84@gmail.com

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**  
Company Secretaries  
FRN: P1995DE072900

Sd/-  
**Deepak Kumar**  
Partner  
FCS No.: 10189  
CP No: 11372

Date : 02.08.2019  
Place : New Delhi



### Appendix - "F" to the Directors' Report

#### Addendum to the Directors' Report

(Management replies to the remarks made by Independent Auditor on the financial statements for F.Y.2018-19)

Point in the Auditor's Report	Auditor's Remarks	Management Reply
Key Audit Matter	<p>a. That with regards to the Ind Accounting Standard 115 on Revenue from Contract with Customers, the company is in receipt of integration charges from booking agents (Non Refundable one time fees) for providing connectivity with the IRCTC Portal for railway ticket booking along with the annual maintenance charges which may vary based on volume of ticket bookings etc. The management is of the opinion that the agreement with the parties for integration charges is generally for one to three years, and subsequently the annual maintenance the contract is renewed but without any integration charges.</p> <p>Further since the renewal is unilateral at the option of IRCTC such integration charges shall not be deferred as income beyond initial contract period of one to three years.</p> <p>In our opinion, the contract for integration charges and annual maintenance contract are not distinct contracts therefore Income of integration charges (onetime non refundable fees) shall be amortized over the expected contract period instead of recognizing revenue at one time. Further past trend has indicated that there is hardly any case where the contract was not renewed by IRCTC. Accordingly in our view, the one time integration charges shall be recognized as revenue over the estimated contract period (estimated 20 years based on past trend) rather than accruing the entire amount as income based on initial contract of one to three years.</p> <p>Deferment of such integration charges in terms of above based on the past information compiled by the management has caused overstatement of revenue by ₹ 6.65 crores during the financial year ended 31<sup>st</sup> March 2019 and other equity comprising of reserves and surplus as at 31<sup>st</sup> March 2019 by ₹ 31.41 crores.</p>	<p>Company is in receipt of integration charges from booking agents (Non Refundable one time fees) for providing connectivity with the IRCTC Portal for railway ticket booking along with the annual maintenance charges which may vary based on volume of ticket bookings etc.</p> <p>The management is of the opinion that the agreement with the parties for integration charges is generally for one to three years, and subsequently the annual maintenance the contract is renewed but without any integration charges and it's only on the discretion of IRCTC. Therefore, the present accounting treatment as per Ind AS 115 is in line with the stand taken by the company.</p> <p>Further, since the renewal is unilateral at the option of IRCTC, such integration charges shall not be deferred as income beyond initial contract period of one to three years. And the corporation is differed the revenue received in term of integration charges the basis of IndAs 115.</p>
Point 2(a) of Report on other Legal &	We have sought and obtained all the information and explanations which to the best of our knowledge and belief were	





Point in the Auditor's Report	Auditor's Remarks	Management Reply
Regulatory Requirements	necessary for the purpose of our audit except for third party balance confirmations including balances payable/ receivable from railways. Further the party wise receivables and payables could not be reconciled with the financial ledgers maintained in the ERP system.	<p>Approx. 75% of outstanding in respect of trade receivables/trade payables are related to different Zonal Railways. Further the Railway do the accounting on Cash basis and Hence Balances in regard to receivable/payable can't be confirmed by Railway on a particular date. However, regular reconciliation meetings are being held with concerned Zonal Railways to reconcile &amp; recover the dues from railways.</p> <p>Further, party wise receivable and payable ledger could not be reconciled as the difference arises due to legacy transaction and migration of data from earlier financial system to present financial system in oracle and the same will be reconciled by identification of legacy transaction during the implementation of latest version of ERP</p>
Point 2(b) of Report on other Legal & Regulatory Requirements	In our opinion, the internal control as well as the internal audit system is not commensurate with the size of the company and the nature of it's operations. There is an immediate need to develop stronger MIS for periodic review of various business segments which could reduce the errors and omissions observed during the course of audit. Similarly measures for ensuring control over material and sales realizations from carriage and freight forwarding agents needs to be implemented along with reconciliations for realizations for sales made through such parties	<p>A. The internal audit is carried out by a reputed professional firm which is enlisted with C&amp;AG and audit is being done in accordance with the detailed scope of work in line with the Company's operations.</p> <p>B. The internal control system is well in place in the Corporation in view of the following:-</p> <ol style="list-style-type: none"> <li>The Company is voluntarily getting the cost audit done by a reputed Cost Accountants firm in spite of non-applicability of the cost audit to the Corporation;</li> <li>The special audit for system improvement and for strengthen the internal control system has been carried out by reputed professional firms for different zones on the recommendation of Statutory auditor during the F/Y 2018-19 and necessary action is being taken on the auditor recommendations.</li> <li>There are other different types of audits like audits by C&amp;AG, various tax audits etc. conducted in the corporation;</li> <li>The transactions are being carried out and authorized in line with SOP (schedule of Powers) in the Corporation;</li> <li>There are policies like Whistle Blower policy, Anti fraud policy and also vigilance department in the corporation to prevent and detect fraud and no frauds have been detected in the Corporation;</li> <li>Audit Committee of the Company holds regular meetings to discuss the financial matters/ internal control systems.</li> </ol> <p>Recommendation of Auditor for further strengthening the internal control shall be duly considered and complied.</p>



Point in the Auditor's Report	Auditor's Remarks	Management Reply
Point 2(c) of Report on other Legal & Regulatory Requirements	<p>That catering service on some of the trains is being managed under unbundling/ partial unbundling model whereby the food preparation and food serving contracts have segregated. In view of the management of the company since food is procured at a fixed rate and as such no license fee is received from the licensee the company has not provided for any share of revenue payable to Indian Railways in terms of the catering policy (which required revenue sharing in the ratio of 15:85 between Indian Railways and IRCTC under departmental catering model and 40:60 in case of licensee model). Further, the practice of awarding limited tenders should be converted to full-fledged tender to ensure wide range of qualified vendors associated with the company.</p>	<p>Under the old catering policy, revenue sharing on departmental catering business was to be done on the basis of overall profitability in this business on PAN India basis.</p> <p>In line with above, the Corporation has represented to Railways for exemption of railways share on revenue in case of trains is being managed under unbundling/partial unbundling model. Hence the provision of the same has not been made in accounts.</p> <p>Further, since IRCTC is under the process to set up new base kitchens/modification of existing base kitchens as per new catering policy, Corporation has called the tenders from empanelled parties only for short term contract i.e. only for 03 month/06 month to feed the current position.</p> <p>Further, the practice of awarding tenders through open tenders has been already followed by corporation and open tenders for TSV, RSD, Static unit, Retiring room, Jan Ahar are already in process by corporation.</p>
Point 2(d) of Report on other Legal & Regulatory Requirements	<p>In our opinion, immediate measures need to be taken to upgrade the current ERP system as well as provide adequate training to the staff lack of which posed limitations in making available requisite information and documents during the course of audit. This shall also require identification and reconciliation of the legacy transactions the balances of which is stated to have been existing since the migration of data from earlier financial system to present financials maintained in Oracle apart from legacy transactions pertaining to the period of transfer of operations from/to railways.</p> <p>Further, reconciliation between the transactions executed through 3rd party applications/portals as well as manual data with the financial information posted in the books of accounts could not be made and accordingly reliance was placed on information available on records and verified on test check basis as per the financial books. In our opinion the information transfer between all the 3rd party application/portals needs to be fully automated &amp; documented for verification.</p>	<p>The upgradation of ERP to its latest version is under progress. The training and identification of legacy transaction will be an integral part of the implementation of new version. Further augmentation of training need of staff shall be considered and implemented.</p> <p>Furthermore, the corporation intends to take the services of expert in industries so as to strengthen the control.</p>
Point 2(e) of Report on other Legal & Regulatory Requirements	<p>That the bank balances reflected in the financial statements have been stated as per the books of accounts and are subject to posting of financial payments and receipts crystallized in the company bank accounts but which are pending confirmations/</p>	<p>Presently, the accounting reconciliation is done on monthly basis between amounts credited/debited from Bank accounts and records available with IRCTC transaction Data. If amount matches in both the records and no discrepancy is found, then it is considered that the reconciliation is final. However, if it</p>



Point in the Auditor's Report	Auditor's Remarks	Management Reply
	reconciliations. Further the transaction by transaction reconciliation could not be made for some of the bank accounts being handled at Internet Ticketing division of the company on account of voluminous ticket booking and cancellation transactions on behalf of railways. (Refer to Note No. 38).	<p>is found that there is any mismatch between these records, then transaction level reconciliation is being done to find out the exceptional transaction. There after the concerned banks are coordinated on regular basis for recovery of such mismatching transaction or otherwise.</p> <p>The volume of transactions is very huge. At present, around 8 to 9 lakh transactions are taking place on daily basis through Payment Gateway and Net banking/ATM cum Debit cards (43 banks for NGET Ticketing service).</p> <p>The above facts have already been disclosed in note no.38 of the financial statements. The said note has been disclosed in financial statements w.e.f. F.Y.2012-13 as per advice of the statutory auditors.</p>
Point 2(f) of Report on other Legal & Regulatory Requirements	That payments due to vendors registered under MSME Act could not be fully identified & segregated and the entire outstanding amount as at 31st March 2019 has been reported under Trade Payables other than MSME Vendors. Further, the MSME Vendors reported during the previous year and interest provision on the delayed payment to the same have been reclassified during the year as other trade payables.	Segregation of creditors as MSMEs is being done, thus the whole amount outstanding for MSMEs are reported under Trade payable.
Point 2(g) of Report on other Legal & Regulatory Requirements	That the liabilities under GST as well as the credit admissibility are subject to reconciliation with the returns filed. The financial transactions and corresponding GST liability on the same could not be reconciled with the returns filed by the company during the course of audit. That as represented to us the assessment of liability on account of various provisions including reverse charge mechanism on payment to railways, reimbursement claims etc. is being done and suitable corrective measures shall be taken before conclusion of the Audit under the GST Act for the financial year under consideration.	Assessment of liability on account of various provisions including reverse charge mechanism on payment to railways, reimbursement claims etc. is being done and suitable corrective measures shall be taken before conclusion of the Audit under the GST Act for the financial year under consideration.
Point 2(j) of Report on other Legal & Regulatory Requirement	<p>In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder except as stated under:</p> <p>i) That with regards to the Ind Accounting Standard 31 on Interest in Joint Ventures, on account of the ongoing litigation with M/s Cox &amp; Kings Ltd. in respect of joint venture company M/s Royale India Rail Tours Limited, for</p>	<p>i. The Arbitration is pending and the facts have already been disclosed in note no.37.3 and 45 of the financial statements for the F.Y.2018-19. The said notes have been disclosed in financial statements w.e.f. F.Y.2011-12 as per advice of the statutory auditors.</p>



Point in the Auditor's Report	Auditor's Remarks	Management Reply
	<p>which the financial have not been prepared since 2010-11 and hence the company is neither filing the consolidated financial statements nor the disclosures have been made regarding the financial position of such joint venture company.</p> <p>Further in view of the termination of the joint venture agreements, the company is of the view that M/s Cox &amp; Kings Ltd cannot invoke arbitration clause in relation to the reliefs sought. Consequential financial impact, if any could not be ascertained. (Refer to Note 37.3 &amp; 45)</p> <p>That with regards to the Ind Accounting Standard 37 on Provisions, Contingent Liabilities and Contingent Assets,</p>	
	<p>ii) The commissioner of VAT vide order dated 23rd 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 as well as by 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 only net of corresponding VAT Input and service tax being paid since only one of the taxes may be applicable. Such VAT Input amounting to Rs.11.19 Crores have been stated as balance due from statutory authorities as other current asset. In case the ruling goes against the company, the entire VAT liability (on gross or net basis) along with the interest (as levied) may have to be deposited and a separate service tax refund application may be required to be filed and obtained separately. (Refer to Note 37.4).</p>	<p>ii. The case is pending with the Hon'ble Supreme Court of India and it has already been disclosed in note no.37.4 of the financial statements of the Company for F.Y.2018-19. An application for early hearing has already been filed. The said note has been disclosed in financial statements w.e.f. F.Y.2014-15 as per advice of the statutory auditors and there is no change in status of the case. Further, on the admissibility of input tax credit, a legal opinion also has been obtained by the corporation during the F/y 2018-19.</p>

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

**Date : 26.07.2019**  
**Place : New Delhi**

**Sd/-**  
**(M.P. Mall)**  
**Chairman & Managing Director**  
**DIN:02316235**

**SERVA ASSOCIATES  
CHARTERED ACCOUNTANTS**1011-1014, 10<sup>th</sup> Floor, RG Trade Tower, Netaji Subhash Place,  
Pitam Pura, Delhi 110005, Ph: 011-42502244, 3562  
Email: info@serva.in; Website: www.serva.in

## **Independent Auditors' Report**

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

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Indian Railway Catering and Tourism Corporation Limited ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March 2019, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2019, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Basis of opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matter**

- a. **That with regards to the Ind Accounting Standard 115 on Revenue from Contract with Customers**, the company is in receipt of integration charges from booking agents (Non Refundable one time fees) for providing connectivity with the IRCTC Portal for railway ticket booking along with the annual maintenance charges which may vary based on volume of ticket bookings etc. The management is of the opinion that the agreement with the parties for integration charges is generally for one to three years, and subsequently the annual maintenance the contract is renewed but without any integration charges. Further since the renewal is unilateral at the option of IRCTC such integration charges shall not be deferred as income beyond initial contract period of one to three years.

In our opinion, the contract for integration charges and annual maintenance contract are not distinct contracts therefore Income of integration charges (one time non refundable fees) shall be amortized over the expected contract period instead of recognizing revenue at one time. Further past trend has indicated that there is hardly any case where the contract was not renewed by IRCTC. Accordingly in our view, the one time integration charges shall be recognized as revenue over the estimated contract period (estimated 20 years based on past trend) rather than accruing the entire amount as income based on initial contract of one to three years.

Deferment of such integration charges in terms of above based on the past information compiled by the management is estimated to cause overstatement of revenue by ₹ 6.65 crores during the financial year ended 31<sup>st</sup> March 2019 and other equity comprising of reserves and surplus as at 31<sup>st</sup> March 2019 by ₹ 31.41 crores

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules





issued thereunder.

The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



### 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 third party balance confirmations including balances payable/receivable from railways. Further the party wise receivables and payables as per sub-ledgers in the ERP system could not be reconciled with the corresponding ledger balances as per ERP System.
  - b. In our opinion, the internal control as well as the internal audit system is not commensurate with the size of the company and the nature of it's operations. There is an immediate need to develop stronger MIS for periodic review of various business segments which could reduce the errors and omissions observed during the course of audit. Similarly measures for ensuring control over material and sales realizations from carriage and freight forwarding agents needs to be implemented along with reconciliations for realizations of sales made through such parties.
  - c. That catering service on some of the trains is being managed under unbundling/partial unbundling model whereby the food preparation and food serving contracts have segregated. In view of the management of the company since food is procured at a fixed rate and as such no license fee is received from the licensee the company has not provided for any share of revenue payable to Indian Railways in terms of the catering policy (which required revenue sharing in the ratio of 15:85 between Indian Railways and IRCTC under departmental catering model and 40:60 in case of licensee model). Further, the practice of awarding limited tenders should be converted to full-fledged tender to ensure wider range of qualified vendors associated with the company.
  - d. In our opinion, immediate measures need to be taken to upgrade the current ERP system as well as provide adequate training to the staff lack of which posed limitations in making available requisite information and documents during the course of audit. This shall also require identification and reconciliation of the legacy transactions the balances of which is stated to have been existing since the migration of data from earlier financial system to present financials maintained in Oracle apart from legacy transactions pertaining to the period of transfer of operations from/to railways.

Further, reconciliation between the transactions executed through 3<sup>rd</sup> party applications/portals as well as manual data with the financial information posted in the books of accounts could not be made and accordingly reliance was placed on information available on records and verified on test check basis as per the financial books. In our opinion the data posting between all the 3<sup>rd</sup> party application/portals needs to be fully automated & documented for verification.
  - e. That the bank balances reflected in the financial statements have been stated as per the books of accounts and are subject to posting of financial payments and receipts crystallized in the company bank accounts but which are pending confirmations/reconciliations. Further the transaction by transaction reconciliation could not be made for some of the bank accounts being handled at Internet Ticketing division of the company on account of voluminous ticket booking and cancellation transactions on behalf of railways. (Refer to Note No. 38)
  - f. That payments due to vendors registered under MSME Act could not be fully identified & segregated and the entire outstanding amount as at 31<sup>st</sup> March 2019 has been reported under Trade Payables other than MSME Vendors. Further, the MSME Vendors reported during the previous year and interest provision on the delayed payment to the same have been repaid/reclassified during the year as other trade payables.
  - g. That the liabilities under GST as well as the credit admissibility are subject to reconciliation with the returns filed. The financial transactions and corresponding GST liability on the same could not be reconciled with the returns filed by the company during the course of audit. That as represented to us the assessment of liability on account of various provisions including reverse charge mechanism on payment to railways, reimbursement claims etc. is being done and suitable corrective measures shall be taken before conclusion of the Audit under the GST Act for the financial year under consideration.



- h. 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.
- i. the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account
- j. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder except as stated hereunder:

- i. That with regards to the **Ind Accounting Standard 31 on Interest in Joint Ventures**, on account of the ongoing litigation with M/s Cox & Kings Ltd. in respect of joint venture company M/s Royale India Rail Tours Limited, for which the financial have not been prepared since 2010-11 and hence the company is neither filing the consolidated financial statements nor the disclosures have been made regarding the financial position of such joint venture company.

Further 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 37.3 & 45)

- ii. That with regards to the **Ind Accounting Standard 37 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 as well as by 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 only net of corresponding VAT Input and service tax being paid since only one of the taxes may be applicable. Such VAT Input amounting to Rs.11.19 Crores have been stated as balance due from statutory authorities as other current asset. In case the ruling goes against the company, the entire VAT liability (on gross or net basis) along with the interest (as levied) may have to be deposited and a separate service tax refund application may be required to be filed and obtained separately. (Refer to Note 37.4).

- k. Being a Government company, the provisions of Section 164(2) of the Companies Act, 2013 are not applicable pursuant to the notification no. G.S.R. 463(E) dated 5<sup>th</sup> July 2015, issued by the Central Government of India.
- l. 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 report in Annexure B.
- m. That as required by Section 143(5) of the Act, and as per the directions issued by the Comptroller and Auditor General of India, refer to our report in Annexure C
- n. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has represented and disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (Refer to Note No.37.2, 37.3 & 37.4)
  - b. The company has not entered into any long term contracts including derivative contracts
  - c. There were no amount which was required to be transferred to Investor education & Protection fund.

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

Sd/-  
**CA. Nitin Jain**  
(Partner)  
Membership Number: 506898

**Date : 26<sup>th</sup> July 2019**  
**Place : Delhi**



### Annexure-“A” to the Auditors’ Report

As referred to in the Auditors’ Report of even date to the members of M/s **Indian Railways Catering and Tourism Corporation Limited** on the Ind AS financial statements for the year ended March 31, 2019

- (i) (a) The company has maintained records showing full particulars, including quantitative details and situation of fixed assets however the asset number wise identification is not available.
- (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 deducted/accrued in the books of accounts including Income Tax, Goods and 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, Goods and Service Tax, cess and other statutory dues were in arrears which was payable as at 31<sup>st</sup> March’2019 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, the statutory dues which have not been deposited on account of dispute with the authorities apart is as under:

Name of Statute	Nature of Dues	Amount	Period to which Amount relates	Forum where dispute is pending	Remarks
Service Tax	Renting of Immovable Property	7,902.16	01.04.07 to 30.06.2012	Commissioner Appeal	Hearing in Process
VAT	VAT On Catering Services in Trains	8,251.01	2008-09 to Jun 2017	Supreme Court	Hearing in Process
Service Tax	Disallowance of Cenvat Credit	156.70	2004-05 to 2007-08	CESTAT	Hearing in Process
Service Tax	Renting of Immovable Property	394.48	01.07.07 to 30.06.2012	CESTAT	Hearing in Process
VAT	Disallowance of ITC/Assessments	1,428.75	2009-10 to 2015-16	Social OHA/Deputy Commissioner Sales Tax/Tribunal	Hearing in Process
Service Tax	Renting of Immovable Property, Bedroll	724.13	Jun 2007 to Mar 2011	CESTAT/Commissioner Appeals	Hearing in Process
Service Tax	Renting of Immovable Property	1,278.39	01.04.2007 to 31.03.2017	CESTAT/Commissioner Appeals	Hearing Process
VAT	Assessments	504.17	2005-06 to 2008-09	Joint Commissioner Appeals	Hearing in Process
Service Tax	Rent a Cab, Outdoor Catering, Tour Operator, Bus Auxiliary, Renting of Immovable Property	304.09	2007-08 to 2015-16	CESTAT/Commissioner Appeals	Hearing in Process
VAT	Assessments	1,103.14	2008-09 to 2012-13	High Court/Tribunal/Appellate Authority	Hearing in Process
Service Tax	Renting of Immovable Property	302.29	01.04.07 to 31.3.2016	CESTAT/Commissioner Appeals	Hearing in Process
VAT	Assessments	222.12	2011-12 to 2012-13	Tribunal/Additional Commissioner	Hearing in Process
Entry Tax	Assessments	0.90	2011-12 to 2012-13	Additional Commissioner	Hearing in Process
		<b>22,572.33</b>			
<b>Income Tax</b>	<b>Scrutiny Assessments</b>	<b>73.71</b>		<b>CIT (Appeal)</b>	<b>Hearing in Process</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) As per Notification dated 05.06.2015, Section 197 of the Act is not applicable in case of a Government Company. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (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 standalone Ind AS financial statements as required by the applicable accounting standard.
- (xiv) That the company issued bonus shares during the year under review (Refer to Note 13.1) and apart from this company has not made any private placement of shares.
- (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. Nitin Jain**

(Partner)

Membership Number: 506898

**Date : 26<sup>th</sup> July 2019**

**Place : Delhi**



**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 2019 in conjunction with our audit of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, 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 unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS 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. 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 Ind AS financial statements of the company and the limitations do not affect our opinion on the Ind AS financial statements of the Company.

**Opinion**

In our opinion, there is a need to strengthen the information system based controls and practices to mitigate risk factors associated with conventional manual control procedures particularly at the branches level. That suitable measures including third party audits have been conducted during the year and representations have been made by the company for improvement and implementation of financial controls wherever required, particularly those associated and interdependent on upgradation and improvement of the current ERP system. We have performed the testing of internal financial controls over financial reporting at the Corporate level and subject to the such IT related limitations, the same were in principal operating effectively as at 31<sup>st</sup> March 2019, 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. Nitin Jain**  
(Partner)  
Membership Number: 506898

**Date : 26<sup>th</sup> July 2019**  
**Place : Delhi**



**Modified Annexure-“C” to the Auditors’ Report**

**Report under Section 143(5) of the Act, and as per the directions issued by the Comptroller and Auditor General of India on Financials of M/s Indian Railway Catering and Tourism Corporation Limited for the Financial Year ended 31st March 2019**

Directions under Section 143(5) of the Companies Act 2013 applicable.

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

*Reply: Yes, however the current version of the ERP system (Oracle), is not being used as end to end integrated accounting system since most of the information and calculations is being prepared in Excel Sheets or third party applications and uploaded/posted manually in the Financial Accounting Module.*

*The IT system requires an overall upgradation, including rectification in some areas like,*

- a. master data reconfiguration*
  - b. reconciliation of legacy transactions*
  - c. inoperative & redundant ledger accounts, profit centers/departments,*
  - d. integration issues including correcting the mapping of tax codes as well as subledger accounts &*
  - e. User controls & adequate staff training*
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.
- Reply: Not Applicable*
3. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.
- Reply: With regards to the government grant received in previous years, the same has been accounted for in terms of the applicable Ind AS. No new grant has been received during the year.*

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

Sd/-

**CA. Nitin Jain**

(Partner)

Membership Number: 506898

**Date : 26<sup>th</sup> July 2019**

**Place : Delhi**



### INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

CIN - U74899DL1999GOI101707

### BALANCE SHEET AS ON 31<sup>st</sup> MARCH, 2019

AMOUNT (₹ in Lakh)

PARTICULARS	Note No.	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	14,704.91	15,564.37
(b) Capital work-in-progress	4	4,037.71	765.26
(c) Investment Property	5	2,765.59	2,761.56
(d) Other Intangible Assets	5A	754.80	656.39
(e) Financial Assets	6		
(i) Investments	6.1	0.32	0.32
(ii) Loans	6.2	239.17	205.88
(iii) Other Financial Assets	6.3	8.06	96.65
(f) Deferred Tax Assets (Net)	7	8,171.99	6,362.27
(g) Other Non-Current Assets	8	2,287.20	1,202.52
		<b>32,969.76</b>	<b>27,615.22</b>
<b>2 Current assets</b>			
(a) Inventories	9	788.87	740.60
(b) Financial Assets	10		
(i) Trade Receivables	10.1	58,173.44	55,092.40
(ii) Cash and Cash Equivalents	10.2	46,006.95	49,315.89
(iii) Bank Balances other than (ii) above	10.3	67,996.60	34,071.36
(iv) Loans	10.4	835.15	898.62
(v) Others	10.5	3,473.00	1,706.54
(c) Current Tax Assets (Net)	11	1,008.46	828.21
(d) Other Current Assets	12	47,589.94	59,736.93
		<b>225,872.41</b>	<b>202,390.55</b>
<b>Total Assets</b>		<b>258,842.17</b>	<b>230,005.78</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	13	16,000.00	4,000.00
(b) Other Equity	14	90,701.88	90,536.86
		<b>106,701.88</b>	<b>94,536.86</b>
<b>2 Liabilities</b>			
<b>(i) Non-current liabilities</b>			
(a) Financial Liabilities	15		
(i) Other Financial Liabilities	15.1	1,472.24	2,423.18
(b) Provisions	16	4,616.09	5,846.98
(c) Other Non-Current Liabilities	17	581.01	693.45
		<b>6,669.35</b>	<b>8,963.62</b>
<b>(ii) Current liabilities</b>			
(a) Financial Liabilities	18		
(i) Trade payables	18.1		
(a) total outstanding dues of micro enterprises and small enterprises		—	86.15
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		19,092.24	14,996.45
(ii) Others	18.2	60,742.92	51,070.06
(b) Other Current Liabilities	19	61,715.65	60,025.11
(c) Provisions	20	1,375.34	327.54
(d) Current Tax Liability (Net)	21	2,544.79	—
		<b>145,470.94</b>	<b>126,505.31</b>
<b>Total Equity and Liabilities</b>		<b>258,842.17</b>	<b>230,005.78</b>

As per our Report of even date attached

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

For and on behalf of Indian Railway Catering & Tourism Corporation Limited (IRCTC)

Sd/-  
CA. Nitin Jain  
Partner  
M.No: 506898

Sd/-  
Mahendra Pratap Mall  
Chairman & Managing Director  
DIN: 02316235

Sd/-  
Rajni Hasija  
Director (Tourism & Marketing)  
DIN:08083674

Sd/-  
Ajai Srivastava  
GGM (Finance)  
CFO

Sd/-  
Suman Kalra  
Company Secretary  
M.No. - FCS-9199

Place: New Delhi  
Date : 26<sup>th</sup> July, 2019



### INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

CIN - U74899DL1999GOI101707

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

AMOUNT (₹ in Lakh)

PARTICULARS	Note No.	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
I. Revenue from operations	22	186,823.57	147,116.73
II Other Income	23	8,877.69	7,357.92
<b>III Total Revenue (I+II)</b>		<b>195,701.26</b>	<b>154,474.65</b>
<b>Expenses</b>			
Cost of Materials Consumed	24	9,331.13	9,529.34
Excise Duty	—	—	436.70
Purchase of Stock-in-Trade	25	3,095.07	15,805.01
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	26	(14.62)	(26.56)
Expenses of Catering Services	27	63,191.55	23,266.58
Expenses of Tourism	28	30,900.81	30,520.42
Manufacturing & Direct Expenses	29	6,126.54	6,714.52
Employee benefit expense	30	19,505.80	19,215.15
Finance costs	31	234.86	290.76
Depreciation and amortization expense	32	2,863.96	2,366.11
Other Expenses	33	16,612.64	12,983.48
<b>IV Total Expenses (IV)</b>		<b>151,847.74</b>	<b>121,101.50</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>43,853.52</b>	<b>33,373.15</b>
VI Exceptional Items		3,739.12	524.57
<b>VII Profit before tax (V+VI)</b>		<b>47,592.64</b>	<b>33,897.72</b>
VIII Tax expense:			
(1) Current tax	34	18,823.35	11,603.63
(2) Deferred tax		(1,823.70)	342.14
<b>IX Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>30,592.99</b>	<b>21,951.95</b>
X Profit/(Loss) from discontinued operations		—	—
XI Tax expense of discontinued operations		—	—
XII Profit/(Loss) from discontinued operations (X - XI)		—	—
<b>XIII Profit/(Loss) for the period (IX + XII)</b>		<b>30,592.99</b>	<b>21,951.95</b>
<b>XIV Other Comprehensive Income</b>			
A. (i) Items that will be reclassified to Profit or Loss			
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		—	—
B. (i) Items that will not be reclassified to Profit or Loss		—	—
- Remeasurment of post-employment benefit obligation	35	39.98	632.82
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		(13.97)	(219.01)
<b>XV Total Comprehensive Income for the period (XIII+XIV)</b>		<b>30,619.00</b>	<b>22,365.76</b>
<b>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>			
<b>XVI Earning per equity share:</b>			
(For Continuing Operation)			
(1) Basic (in ₹)	36	19.12	13.72
(2) Diluted (in ₹)	36	19.12	13.72
<b>XVII Earnings Per Equity Share:</b>			
(For Discontinuing Operation)			
(1) Basic (in ₹)	36	—	—
(2) Diluted (in ₹)	36	—	—
<b>XVIII Earnings Per Equity Share:</b>			
(For Continuing and Discontinued Operation)			
(1) Basic (in ₹)	36	19.12	13.72
(2) Diluted (in ₹)	36	19.12	13.72

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

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

For and on behalf of Indian Railway Catering & Tourism Corporation Limited (IRCTC)

Sd/-  
CA. Nitin Jain  
Partner  
M.No: 506898

Sd/-  
Mahendra Pratap Mall  
Chairman & Managing Director  
DIN: 02316235

Sd/-  
Rajni Hasija  
Director (Tourism & Marketing)  
DIN:08083674

Sd/-  
Ajai Srivastava  
GGM (Finance)  
CFO

Sd/-  
Suman Kalra  
Company Secretary  
M.No. - FCS-9199

Place: New Delhi  
Date : 26<sup>th</sup> July, 2019





### INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

CIN - U74899DL1999GOI101707

### Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019

AMOUNT (₹ in Lakh)

PARTICULARS	For the Year Ended 31 <sup>st</sup> March 2019	for the Year Ended 31 <sup>st</sup> March 2018
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	47,592.64	33,897.72
<b>Adjustments for :-</b>		
Depreciation	2,863.96	2,366.11
Loss on sale of Fixed Assets	14.54	40.65
Interest Income	(5,088.18)	(4,568.12)
Dividend Income from Mutual fund	(637.28)	(388.89)
Other Comprehensive Income	39.98	632.82
<b>Operating Profit before operating capital changes</b>	<b>(1) 44,785.66</b>	<b>31,980.29</b>
<b>Adjustments for :-</b>		
Decrease / (Increase) in Inventories	(48.27)	(82.55)
Decrease/ (Increase) in Trade & Other Receivables	(3,081.04)	(26,152.35)
Decrease/ (Increase) in Other Non Current Financial assets	88.59	(55.77)
Decrease/ (Increase) in Other Current Financial assets	(87.43)	3.29
Decrease/ (Increase) in Current tax assets	(180.25)	-
Decrease/ (Increase) in Other Current assets	12,147.01	(22,275.82)
Decrease/ (Increase) in Other Non Current assets	(1,084.68)	330.51
Decrease/ (Increase) in Financial Assets Loans	30.18	73.26
(Decrease) / Increase in other Non current financial liability	(950.94)	(7,950.10)
(Decrease) / Increase in Non Current Provisions	(1,230.89)	(1,950.37)
(Decrease) / Increase in Other Non current liabilities	(112.43)	(139.61)
(Decrease) / Increase in trade payables	4,009.64	1,325.08
(Decrease) / Increase in Other financial liability	9,672.87	15,170.65
(Decrease) / Increase in Other Current Liability	1,176.30	24,489.43
(Decrease) / Increase in Current provisions	1,047.80	188.48
<b>Cash generated from operation</b>	<b>(2) 21,396.46</b>	<b>(17,025.88)</b>
Income Tax Paid	(16,278.56)	(12,591.79)
<b>Total Cash generated from Operating Activities</b>	<b>(1+2) 66,182.12</b>	<b>14,954.41</b>
<b>B. Cash Flow From Investing Activities</b>		
Sale/Disposal of Property, Plant and Equipment's & Other intangible assets	34.14	20.92
Purchase of Property, Plant and Equipment's & Other intangible assets	(5,428.08)	(3,452.55)
Interest Receivable	3,409.15	4,450.24
Dividend received	637.28	388.89
Changes in Other Bank balances	(33,925.24)	2,613.14
<b>Net Cash used in Investing Activities</b>	<b>(35,272.75)</b>	<b>4,020.63</b>
<b>C. Cash Flow From Financing Activities</b>		
Dividend Paid (including Tax on Dividend)	(17,939.75)	(5,679.06)
<b>Net Cash generated from Financing Activities</b>	<b>(17,939.75)</b>	<b>(5,679.06)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(3,308.94)</b>	<b>704.19</b>
Opening Cash & Cash Equivalents	49,315.89	48,611.71
<b>Closing Cash &amp; Cash Equivalents</b>	<b>46,006.95</b>	<b>49,315.89</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		
Cash and Cash Equivalent Comprises of		
Cash on hand	33.88	55.61
Cheques/drafts on hand	41.07	8,090.93
Balances with banks:		
- In Current Account	43,772.73	30,978.92
- In Flexi Account	2,159.27	10,190.43
- In Fixed Deposits with original maturity of less than three months		
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>46,006.95</b>	<b>49,315.89</b>

**Notes:-** 1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.  
2. Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

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

For and on behalf of Indian Railway Catering & Tourism Corporation Limited (IRCTC)

Sd/-  
CA. Nitin Jain  
Partner  
M.No: 506898

Sd/-  
Mahendra Pratap Mall  
Chairman & Managing Director  
DIN: 02316235

Sd/-  
Rajni Hasija  
Director (Tourism & Marketing)  
DIN:08083674

Sd/-  
Ajai Srivastava  
GGM (Finance)  
CFO

Sd/-  
Suman Kalra  
Company Secretary  
M.No. - FCS-9199

Place: New Delhi  
Date : 26<sup>th</sup> July, 2019



### Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2018

#### A. Equity share capital

Particulars	Number of shares in Lakhs	Amount (₹ in Lakhs)
<b>Balance as at April 1, 2017</b> (4,00,00,000 Equity shares of ₹ 10 each)	400.00	4,000.00
Issue of shares capital during the year (Equity shares of ₹ 10 each)	—	—
<b>Balance as at March 31, 2018 4,00,00,000 Equity shares of ₹ 10 each</b>	<b>400.00</b>	<b>4,000.00</b>

#### B. Other Equity

Amount (₹ in Lakhs)

Particulars	Reserves & Surplus		
	General Reserve	Retained Earnings	Total
Balance at the beginning of the year	38,491.70	35,342.18	73,833.88
Changes in accounting policy or prior period errors	—	16.27	16.27
<b>Restated balance at the beginning of the year</b>	<b>38,491.70</b>	<b>35,358.45</b>	<b>73,850.815</b>
Profit for the year	—	21,951.95	<b>21,951.95</b>
Other Comprehensive Income for the year (net of income tax)	—	413.81	413.81
<b>Total Comprehensive Income for the year</b>	<b>—</b>	<b>22,365.76</b>	<b>22,365.76</b>
Transfer from Retained earnings	3,500.00	—	3,500.00
Payment of dividend on equity shares	—	(4,718.49)	(4,718.49)
Payment of dividend tax on dividend paid to equity shares	—	(960.57)	(960.57)
Transfer to general reserves	—	(3,500.00)	(3,500.00)
Bonus shares issued	—	—	—
<b>Balance at the end of the year</b>	<b>41,991.70</b>	<b>48,545.16</b>	<b>90,536.86</b>

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

For and on behalf of Indian Railway Catering & Tourism Corporation Limited (IRCTC)

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Place: New Delhi  
Date : 26<sup>th</sup> July, 2019



### Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2019

#### A. Equity share capital

Particulars	Number of shares in Lakhs	Amount (₹ in Lakhs)
<b>Balance as at April 1, 2018</b> (4,00,00,000 Equity shares of ₹ each)	400.00	4,000.00
Issue of shares capital during the year (12,00,00,000 Equity shares of ₹ 10 each)	1,200.00	12,000.00
<b>Balance as at March 31, 2019 16,00,00,000 Equity shares of ₹ 10 each</b>	<b>1,600.00</b>	<b>16,000.00</b>

#### B. Other Equity

Amount (₹ in Lakhs)

Particulars	Reserves & Surplus		
	General Reserve	Retained Earnings	Total
Balance at the beginning of the year	41,991.70	48,779.25	90,770.95
Changes in accounting policy or prior period errors	—	(234.09)	(234.09)
Impact due to adoption of Ind AS-115	—	(514.24)	(514.24)
<b>Restated balance at the beginning of the year</b>	<b>41,991.70</b>	<b>48,030.92</b>	<b>90,022.62</b>
Profit for the year	—	30,592.99	<b>30,592.99</b>
Other Comprehensive Income for the year (net of income tax)	—	26.01	26.01
<b>Total Comprehensive Income for the year</b>	<b>—</b>	<b>30,619.00</b>	<b>30,619.00</b>
Transfer from Retained earnings	3,500.00	—	3,500.00
Payment of dividend on equity shares	—	(14,880.92)	(14,880.92)
Payment of dividend tax on dividend paid to equity shares	—	(3,058.83)	(3,058.83)
Transfer to general reserves	—	(3,500.00)	(3,500.00)
Bonus shares issued	—	(12,000.00)	(12,000.00)
<b>Balance at the end of the year</b>	<b>45,491.70</b>	<b>45,210.16</b>	<b>90,701.87</b>

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

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Suman Kalra  
Company Secretary  
M.No. - FCS-9199

Place: New Delhi  
Date : 26<sup>th</sup> July, 2019



### Accounting Policies as per Indian Accounting Standards (Ind AS)

#### 1. Corporate Information

Indian Railway Catering and Tourism Corporation Ltd. (IRCTC) has been set up by the Ministry of Railways. IRCTC is a public limited company domiciled and was incorporated in India on September 27, 1999 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 and the registered office of the company is located at 11<sup>th</sup> floor, B-148 Statesman House Barakhamba Road New Delhi-110001

#### 2. Basis of Preparation

##### a) Statement of Compliance

The financial statements as at and for year ended March 31, 2019 have been prepared in accordance with Indian Accounting Standards (In-AS) notified under the Companies (Indian Accounting Standards) Rules 2015, Companies (Indian accounting standards) Amendment Rules 2016, Companies (Indian accounting standards) Amendment Rules 2017 and Companies (Indian accounting standards) Amendment Rules 2018.

##### b) Basis of Measurement

The Corporation is following accrual basis of accounting under historical cost convention and for the following item that have been measured at fair value as required by relevant Ind-AS.

- i. Defined benefit Plan and other long term employee benefits
- ii. Certain financial assets and liabilities measured at fair value (Refer policy on financial instrument).

##### c) Use of estimates & Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates includes estimated useful life of property, plant and equipment, employee benefit expenses, provisions, satisfaction of performance obligation in revenue recognition etc. actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialize.

- d) All financial information presented in Indian rupees and all values are rounded to the nearest lakh rupees with two decimal points except where otherwise stated.
- e) Statutory dues payable and refundable are treated as current liability and current assets due to current in nature.
- f) **Statement of Cash Flow**

Statement of Cash Flow 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.

For the purposes of the statement of cash flow, cash and cash equivalents include cash in hand, cash at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand are considered part of the Company's cash management system.

The company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosures requirement. The adoption of amendment did not have any material effect on the financial statements.



### g) Foreign Currency

#### i. Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is functional as well as presentation currency of the company.

#### ii. Transaction and balances

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

Foreign exchange gains and losses resulting from the settlement of such transaction and for the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

### h) Property, Plant and Equipment

- i. Property, Plant and Equipment are stated at cost of acquisition including installation charges and other related expenses if recognition criteria are met.
- ii. Cost of replacement, major inspection, repair of significant parts is capitalized if the recognition criteria are met.
- iii. 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.
- iv. Expenditure on the leased buildings for Office premises has been capitalized as Leasehold -Office Development
- v. The tools and plants placed as such at 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 Rs.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, refer policy on government grant for treatment of grant related to acquisition of these assets.
- vii. Upon sale of assets cost and accumulated depreciation are eliminated from the financial statements and the resultant gains or losses are recognized in the statement of profit and loss.

#### i) Depreciation & Amortization: -

- (a) Depreciation is provided in accordance with the life specified under Schedule II of the Companies Act, 2013 except for certain items. The Life of certain assets which has not been taken as per schedule II of the Companies Act, 2013 is as follows:-

Particulars	Useful Life
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.	10 Year
Residential flats constructed on railway land are on lease for a period of 30 years and the same has been depreciated over that period.	30 Year
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. Hence, Depreciation on buildings of Railneer Plants at Nangloi, Danapur, Palur and Ambarnath has been provided accordingly.	35 Year

- (b) Depreciation is calculated on a straight line basis from the date of ready to use. Depreciation is provided up to the date of sale, discard and loss of the assets during the year.





- (c) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset which is based on the estimates & certificate of inhouse technical expert.
- (d) 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.
- (e) Depreciation methods, useful lives and residual values are reviewed at each reporting date.
- (f) Depreciation is calculated at depreciable amount, i.e. Cost less its residual value.
- (g) In respect of Residential Flats constructed on leasehold land, depreciation is charged over the period of the lease of the land.

The estimated useful life of assets for current and comparative period of significant items of property plant and equipment which has been taken as per schedule II of Companies Act, 2013 are as follow::

Particulars	Useful Life
Plant and Machinery	15 years
Computers	3 years
Network & Server	6 years
Air Conditioner	10 years
Furniture	10 years
Office Equipment's	5 years
Building other than Rail Neer Plant Building	35 years
Rail Neer Plant Building	40 years
Solar power Plant and Electric Substation	25 years
DG Set , Water Blowing Machine, Compressors	10 years
Air Conditioners and chillers for plant	5 years
Intangible Assets	4 years
Installation & Equipment's	10 years
Luxury Tourist train	15 years

### j) Capital Work in Progress/Capital Advances: -

Capital work in progress includes the cost of property, plant and equipment (PPE) 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 PPE are shown as "Capital Advances" under other "Non Current Assets"

### k) Intangible Assets: -

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.

### l) Investments in Joint Arrangements

Investment in equity instruments of joint ventures are measured at cost as per Ind AS 27- Separate Financial Statements.

### m) Investment Properties

- a) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- b) The company depreciates building component of investment property over the estimated useful life of the assets as prescribed in property, plant and equipment.
- c) Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

**n) Operating cycle for Current and Non Current Assets**

Company has classified the assets and liabilities as current which is expected to realise within the twelve months after the reporting period and all other assets and liabilities are classified as noncurrent.

**o) Provisions, Contingent Liabilities and Contingent Assets:****A. Provisions: -**

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:

- (a) The Company has a present obligation as a result of a past event.
- (b) Probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) The amount of the obligation can be reliably estimated. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received. Provisions are reviewed at each Balance Sheet date.

**Discounting of Provisions**

Provision which is expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

**B. Contingent Liabilities and Contingent Assets**

- (a) Contingent Liabilities are disclosed in either of the following cases:
  - i. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - ii. A reliable estimate of the present obligation cannot be made; or
  - iii. A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent assets are disclosed where an inflow of economic benefits is probable.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

**p) 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) Company Recognizes revenue from contracts with customers based on a five-step as set out in Ind AS-115:-
  - (i) Identify contracts with a customer: - A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
  - (ii) Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
  - (iii) Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
  - (iv) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.



- (v) Recognise revenue when or as the Company satisfies a performance obligation by transferring a promised goods or services to a customer. An asset is transferred when the customer obtains control of that asset.

The Performance obligation is satisfies and recognize revenue overtime, if one of the following criteria is met:

- The performance does not create an assets with an alternate use and has an enforceable right to payment for performance completed to date.
- The performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. When performance obligation is satisfies by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount revenue recognized this give rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Revenue is recognized to the extent it is probable that the economic benefits will flow and the revenue and costs if applicable can be measured reliably.

### i. Sales: -

Sales of Railneer-packaged drinking water, food and beverage items are recognized at the point in time when the goods are sold and services rendered and are recorded net of VAT etc. in terms of Ind AS-115. It does not include inter-depot and inter-unit transfers.

### ii. 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.ircctc.co.in](http://www.ircctc.co.in)). Gross Service charges earned on the sales of such tickets on accrual basis have been booked as income of the Corporation & corresponding railway share is shown as expenses.

### iii. 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.

#### • Income from On-board Catering Services:

The corporation is providing catering services on Rajdhani, duranto 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.

#### • 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.	Fixed Annual License Fee as per the agreement signed with the awardees.



Sr. No.	Nature of business activity	Nature of Fee received from licensees
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 as per the agreement signed with the awardees.
4	Award of License for Water Vending Machines (WVM) at Railway Stations.	Fixed Annual License fee on basis of date of commencement of WVMs.
5	Award of License for static units at Railway Stations	(i) Fixed License fee in case of Contracts awarded under IRCTC Policy (ii) Fixed Annual License Fee as per the agreement signed with the awardees.
6	Award of license for Re-developing, Operation, Management and Transfer of RailYatriNivas and Railway Hotels on Indian Railway premises	Fixed Annual User Charges and License Fee as per the agreement signed with the awardees.
7	Licensee Fee of Handing over catering units in terms of catering policy 2017.	60% of Annual Licensee fee collected by Railways booked as Income
8	Fine ,Penalty & Interest on delayed payment if any.	Fine ,Penalty & Interest on delayed payment if any is recognized on its receipt from Licensee and vendors

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 period of time as given in the Ind AS-115 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:
  - I. 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.
  - II. 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.

**iv. 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/GST collected from the customer.

**v. Integration Charges**

Integration Charges payable by the Principal Service Provider to IRCTC for registration and integration with IRCTC for reserved rail e-ticketing service has been recognized over the contractual period in which the parties to the contract have present enforceable rights and obligations.

**vi. Water vending Machines:** That the company is in arbitration proceeding with the Licensee for water vending machines and as per the interim order of the arbitration, the revenue has been recognised/accrued based on the date of commencement of each of the water vending machines as against immediate recognition of revenue on the date of commission of first WVM under a cluster arrangement with the licensee.**vii. Interest Income from Fixed Deposits including TDRs and Dividend Income: -**

Income received as Interest from fixed deposit & TDRs is recognized on accrual basis by using effective rate of interest

Dividend income is recognized when the company's right to receive the dividend is established.

**viii. 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 under Service Exports from India Scheme (SEIS) under Foreign Trade Policy, 2015-20 would be freely transferable and can be monetized. The Scrips issued under Service Exports from India Scheme can only be usable for payment of Basic Customs Duty on imports. The Scrips are redeemable under New Policy.

That Duty credit entitlements are accounted for as receivables upon approval of the same by the concerned department and pending the same are shown as contingent assets.

**q) 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 accrual basis for catering services provided to the passengers of Indian Railways.

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

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 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.

**r) Leases: -**

**Where the Company is the lessee:**

**Finance Lease**

Lease of property, plant and equipment where lessee, has transferred substantially all the risks and rewards of ownership are classified as financial leases. Financials leases are capitalized at the lease's inception at the fair value of the leased property or the present value of minimum lease payments whichever is lower. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the policy on borrowing costs. Contingent rentals are recognized as expense in the period in which they are incurred. Leased asset is depreciated over the useful life of assets.

**Operating Lease**

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 except where the lease payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

**Where the Company is the lessor:**

**Finance Lease**

Lease of property, plant and equipment where lessee, has substantially transferred all the risks and rewards of ownership are classified as financial leases. Amount due from lessee under finance leases are recorded as receivable at company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**Operating leases**

Leases other than finance lease are classified as operating lease. Assets subject to operating leases are included in cost of property, plant and equipment, including depreciation are recognized as an expense in the statement of Profit & Loss. Lease income is recognized in the statement of profit & loss on straight line basis



except where the lease payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

**s) Impairment of Assets: -**

Cash generating units as defined in Ind AS 36 on 'Impairment of Assets' 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 statement of profit and loss account. Impairment loss, if need to be reversed subsequently, is accounted for in the year of reversal.

**t) Borrowing Cost: -**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets till such time the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowings costs are recognized in the statement of Profit and Loss in the period in which they are incurred.

**u) Employee Benefits: -**

**(a) Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, and short- term compensated absences etc. are recognized in the period in which the employee renders the related service.

**(b) Long Term Employee Benefits:**

The obligation for long-term employee benefits such as long-term compensated absences, half pay leave & LTC is recognized in the same manner as in the case of defined benefit plans as mentioned in (c)(ii) below

**(c) Post-Employment Benefits**

**(i) Defined contribution plans:** The Company makes defined contribution to the Regional Provident Fund Commissioner in respect of provident fund scheme. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

**(ii) Defined Benefit plans:** Company provides post-retirement medical benefits to employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

**(iii)** Gratuity is a post-employment defined benefit plan. The liability recognized in the balance sheet is the present value of the defined benefit obligation at the balance sheet date less fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using projected unit credit (PUC) method.

**(iv)** Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions in respect of defined benefit plans are recognised in period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity.

**(d)** 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 statement of Profit or Loss on accrual basis.

**v) 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 ITC, 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 or NRV on FIFO basis.

**w) Taxation: -****(a) Current Income Tax: -**

- (i) Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- (ii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- (iii) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- (iv) Current tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

**(b) Deferred Tax**

The corporation has accounted for deferred taxation in line with IndAS-12 "Income Taxes" issued by the Ministry of Corporate Affairs.

- i. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- ii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iii. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- iv. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

**x) Earning Per Share**

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**y) Grants**

- i. Government grants relating to purchase of property, plant and equipment are included in liabilities as deferred income and credited to profit or loss over the on systematic basis over the expected life of the related assets and presented within other income.
- ii. Grants relating to the revenue expenditure are adjusted against the related expenses. The unutilized portion of revenue and capital grant is shown as liability.
- iii. Government grant in the form of Non-monetary asset is recognized at fair value and presented in balance sheet by setting up the grant as deferred Income.

**z) Cash & Cash Equivalents**

Cash and cash equivalents comprise cash on hand, drafts/cheques on hand, bank balances, deposits with banks and short term investments, which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**aa) Financial Instruments: -****Initial recognition and measurement**

Financial Instruments recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

**Financial Asset at Amortized Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost using effective interest rate method less impairment, if any. The EIR amortisation is included in finance income in the statement of profit and loss.

Following financial assets are measured at amortised cost: -

- (i) Security deposit
- (ii) Retention money
- (iii) Cash and cash equivalent
- (iv) Advances adjustable with other financial instrument

**Financial Assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

**Financial Assets at Fair value through Profit & Loss (FVTPL)**

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

**Financial liabilities at Amortised Cost**

Financial liabilities at amortised cost represented by trade and other payables, security deposits, advances refundable and retention money are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**Financial liabilities at Fair Value through Profit & Loss (FVTPL)**

The company has not designated any financial liabilities at FVTPL.

**De-recognition****Financial Asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

**Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of Profit & Loss.

**Impairment of Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing



component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit & Loss Account.

**bb) Fair Value Measurement**

Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**cc) Recent accounting pronouncements****Standards issued but not yet effective****IND AS 116 Leases**

MCA had notified IND AS 116 Leases on dated March 30, 2019. The standard sets out the additional/new principles for recognition, measurement, presentation and disclosure of leases. The objective of IND AS 116 is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The new leases standard is applicable to all entities and will supersede all current leases recognition requirements under IND AS.

The effective date of IND AS 116 is annual periods beginning on or after 1st April 2019. The Company is required to adopt the standard by the Financial Year commencing 1st April 2019. The Company is currently evaluating the requirements of IND AS 116 and has not yet determined the impact on the financial statements.





### Note - 03 : Property, Plant and Equipment's

AMOUNT (₹ in Lakh)

Particular	Leasehold Land	Freehold Land	Flats on Leasehold Land	Leasehold improve-ment	Building-Factory-Leasehold	Building-Office-Leasehold	Plants & Machinery	Electrical Installation & Equipments	Computer	Air Conditioner	Office Equipment	Furniture & Fixtures	Luxury Tourist Train	Total
<b>Gross Carrying Amount</b>														
At 01 <sup>st</sup> April 2017	1,225.82	1,296.31	951.87	1,301.80	2,462.07	169.61	5,626.61	531.53	7,911.23	482.95	1,795.49	673.83	5,112.55	29,541.68
Additions	311.70	-	-	20.40	10.78	8.73	307.64	1.56	1,231.96	10.12	98.84	25.22	1.53	2,028.48
Disposals/Adjustments	28.92	435.74	-	139.75	-	-	115.18	-	975.17	11.99	262.62	135.22	4.42	2,109.01
At 31 <sup>st</sup> March 2018	1,508.60	860.57	951.87	1,482.45	2,472.85	178.34	5,819.07	533.09	8,168.02	481.08	1,631.71	563.83	5,109.66	29,461.15
Additions	122.98	-	-	568.60	-	3.54	330.22	3.89	351.79	12.66	135.32	59.16	21.24	1,609.40
Disposals/Adjustments	-	-	-	-	34.17	-	25.63	-	69.21	1.28	22.55	1.51	-	154.35
At 31 <sup>st</sup> March 2019	1,631.58	860.57	951.87	1,751.05	2,438.68	181.88	6,123.66	536.98	8,450.60	492.46	1,744.48	621.48	5,130.90	30,916.18
<b>Accumulated Depreciation and Impairment</b>														
At 01 <sup>st</sup> April 2017	2.66	-	168.94	779.52	361.67	30.48	1,756.58	265.34	5,395.24	259.91	1,488.87	483.38	2,771.15	13,763.75
Depreciation charge for the year	3.73	-	29.99	83.05	65.84	12.86	167.03	34.01	849.35	33.27	89.00	27.19	320.44	1,715.76
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	132.57	-	-	109.75	-	952.19	11.07	244.69	128.97	3.52	1,582.76
At 31 <sup>st</sup> March 2018	6.39	-	198.93	730.04	427.51	43.34	1,813.86	299.35	5,292.40	282.11	1,333.18	381.60	3,088.07	13,896.79
Depreciation charge for the year	5.18	-	29.99	92.74	66.00	13.10	915.91	34.32	805.34	30.35	80.38	28.44	318.41	2,420.16
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	20.99	-	-	18.75	-	48.75	0.84	15.07	1.27	-	105.67
At 31 <sup>st</sup> March 2019	11.57	-	228.92	801.79	493.51	56.44	2,711.02	333.67	6,048.99	311.62	1,398.49	408.77	3,406.48	16,211.28
<b>Net Carrying Value</b>														
At 01 <sup>st</sup> March 2019	1,620.01	860.57	722.95	949.26	1,945.17	125.45	3,412.64	203.31	2,401.61	180.84	345.99	212.71	1,724.41	14,704.91
At 31 <sup>st</sup> March 2018	1,502.21	860.57	752.94	452.41	2,045.34	135.01	4,005.21	233.74	2,875.62	198.97	298.53	182.23	2,021.58	15,564.37

Note :- 3.1 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 which has been recognised as deferred grant and amortised in the proportion of the depreciation.

Note :- 3.2 During the F.Y 2017-18 corporation has transferred ₹ 464.66 to Investment property from leasehold/freehold Land.

### Note - 4 : Capital Work in Progress

AMOUNT (₹ in Lakh)

Particular	Railneer Plant-Vijaywada (AP)	Corporate Office-Gurgaon	Railneer Plant-Sankrail	Railneer Plant-Bhusawal (Maharashtra)	Railneer Plant-Masoori/Hapur	Railneer Plant-Sanad	Railneer Plant-Mandideep	Others	Railneer Plant-Una (HP)	Railneer Plant-Jabalpur (MP)	Railneer Plant-Jagroad (Guwahati) (Maharashtra)	Railneer Plant-Nagpur	Total
Opening balance at 1 <sup>st</sup> April 2017	-	1,536.56	-	-	-	-	-	146.36	-	-	-	-	1,682.92
Additions (subsequent expenditure)	56.00	760.34	197.77	-	282.84	-	176.27	18.53	-	-	-	-	1,491.75
Adjustments	-	2,296.90	-	-	-	-	-	112.51	-	-	-	-	2,409.41
Closing balance at 31 <sup>st</sup> March 2018	56.00	-	197.77	-	282.84	-	176.27	52.38	-	-	-	-	765.26
Additions (subsequent expenditure)	-	-	383.99	130.14	598.18	671.92	547.61	176.43	42.00	284.03	488.51	14.50	3,337.30
Adjustments	56.00	-	-	-	-	-	-	8.85	-	-	-	-	64.85
Closing balance at 31 <sup>st</sup> March 2019	-	-	581.76	130.14	881.02	671.92	723.88	219.96	42.00	284.03	488.51	14.50	4,037.71

Note :- 4.1 (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 :- 4.2 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 :- 4.3 During the F.Y 2017-18 corporation has transferred ₹ 2296.90 from CWIP to Investment property



**NOTE-5 : INVESTMENT PROPERTY**

AMOUNT (₹ in Lakh)

Particulars	Land at Gurgaon	Building under Construction at Gurgaon	Investment Property under Construction
<b>Opening balance at 01<sup>st</sup> April 2017</b>	—	—	—
Addition during the year	464.66	2,296.90	2,761.56
Disposal/Adjustment during the year	—	—	—
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>464.66</b>	<b>2,296.90</b>	<b>2,761.56</b>
Addition/Adjustment during the year	—	29.15	29.15
Disposal/Adjustment during the year	—	—	—
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>464.66</b>	<b>2,326.05</b>	<b>2,790.71</b>
<b><u>Amortization and Impairment</u></b>			
<b>Opening balance at 01<sup>st</sup> April 2017</b>	—	—	—
Amortization during the year	—	—	—
Disposal/Adjustment during the year	—	—	—
<b>Closing balance at 31<sup>st</sup> March 2018</b>	—	—	—
Amortization during the year	—	25.12	25.12
Disposal/Adjustment during the year	—	—	—
<b>Closing balance at 31<sup>st</sup> March 2019</b>	—	<b>25.12</b>	<b>25.12</b>
<b><u>Net Carrying Value</u></b>			
<b>At 31<sup>st</sup> March 2019</b>	<b>464.66</b>	<b>2,300.93</b>	<b>2,765.59</b>
<b>At 31<sup>st</sup> March 2018</b>	<b>464.66</b>	<b>2,296.90</b>	<b>2,761.56</b>
<b>At 1<sup>st</sup> April 2017</b>	—	—	—

**Note:-5.1** Fair value of Investment property as on 31<sup>st</sup> March, 2019 is ₹ 7457.00 Lakhs, which has been valued on the basis of Land and Building Method by adopting prevailing market rates by a registered valuer.

**NOTE: - 5A - INTANGIBLE ASSETS**

AMOUNT (₹ in Lakh)

Particulars	Software's	Licenses	Total
<b>Closing balance at 01<sup>st</sup> April 2017</b>	<b>2,836.81</b>	<b>1,382.89</b>	<b>4,219.70</b>
Addition during the year	44.83	—	44.83
Disposal/Adjustment during the year	54.23	8.53	62.76
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>2,827.41</b>	<b>1,374.36</b>	<b>4,201.77</b>
Addition during the year	<b>446.37</b>	<b>70.71</b>	517.08
Disposal/Adjustment during the year	—	—	—
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>3,273.78</b>	<b>1,445.07</b>	<b>4,718.85</b>
<b><u>Amortization and Impairment</u></b>			
<b>Closing balance at 01<sup>st</sup> April 2017</b>	<b>1,603.22</b>	<b>1,354.55</b>	<b>2,957.77</b>
Amortization during the year	639.96	10.39	650.35
Disposal/Adjustment during the year	-54.22	-8.53	-62.75
<b>Closing balance at 31<sup>st</sup> March 2018</b>	<b>2,188.95</b>	<b>1,356.41</b>	<b>3,545.37</b>
Amortization during the year	<b>407.36</b>	<b>11.31</b>	418.67
Disposal/Adjustment during the year	—	—	—
<b>Closing balance at 31<sup>st</sup> March 2019</b>	<b>2,596.32</b>	<b>1,367.72</b>	<b>3,964.05</b>
<b><u>Net Carrying Value</u></b>			
<b>At 31<sup>st</sup> March 2019</b>	<b>677.45</b>	<b>77.35</b>	<b>754.80</b>
<b>At 31<sup>st</sup> March 2018</b>	<b>638.45</b>	<b>17.95</b>	<b>656.39</b>
<b>At 01<sup>st</sup> April 2017</b>	<b>1,233.59</b>	<b>28.34</b>	<b>1,261.92</b>



**NOTE :- 6 - FINANCIAL ASSETS- NON CURRENT**

**NOTE :- 6.1 - NON-CURRENT INVESTMENTS**

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>A. Investments in Equity Instruments of Joint Venture</b>		
25,00,000 equity shares of ₹ 10 each of Royale Indian Rail Tours Limited (As at 31 <sup>st</sup> March 2018 - 25,00,000 equity shares of ₹ 10 each)	250.00	250.00
Less: Impairment in value of Investments	(250.00)	(250.00)
<b>B. Other Investments</b>		
Investments in NSC 8 <sup>th</sup> Issue	0.20	0.20
Add: Interest Accrued	0.12	0.12
<b>Total Investments</b>	<b>0.32</b>	<b>0.32</b>

**NOTE :- 6.1 A - TOTAL NON CURRENT INVESTMENTS**

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Aggregate Amount of unquoted investments	250.00	250.00
Aggregate Amount of impairment in the value of investments	(250.00)	(250.00)
Aggregate Fair Value of investments	—	—

**NOTE :- 6.2 - LOANS**

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Security Deposits	239.17	205.88
<b>Total</b>	<b>239.17</b>	<b>205.88</b>

**NOTE :- 6.3 - OTHER NON CURRENT FINANCIAL ASSETS**

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
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	8.06	96.65
<b>Total</b>	<b>8.06</b>	<b>96.65</b>

**NOTE: - 7 - DEFERRED TAX**

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 1 <sup>st</sup> April 2017
<b>A. Deferred Tax Liabilities</b>			
Property, Plant and Equipment	777.38	1,011.01	1,038.16
<b>Total of Deferred Tax Liabilities</b>	<b>777.38</b>	<b>1,011.01</b>	<b>1,038.16</b>
<b>B. Deferred Tax Assets</b>			
Employee Benefit	2,093.65	2,136.88	2,740.45
Property, Plant and Equipment	—	—	—
Doubtful debts	2,979.54	1,354.71	1,353.63
Statutory liabilities (u/s 43B)	3,788.83	3,795.17	3,780.98
Investments	87.36	86.52	86.52
<b>Total of Deferred Tax Assets</b>	<b>8,949.38</b>	<b>7,373.28</b>	<b>7,961.58</b>
<b>Deferred Tax Assets Net</b>	<b>8,171.99</b>	<b>6,362.27</b>	<b>6,923.41</b>



MOVEMENT IN DEFERRED TAX ASSET/(LIABILITY)					AMOUNT (₹ in Lakh)	
Particulars	Property, Plant and Equipment	Employee Benefit	Doubtful debts	Statutory liabilities (u/s 43B)	Investments	Total
Opening balance as at 1 <sup>st</sup> April 2017	(1,038.16)	2,740.45	1,353.63	3,780.98	86.52	6,923.41
Charged/(credited) during 2017-18						
To Profit & Loss	27.15	(384.56)	1.08	14.19	—	(342.14)
To other comprehensive income	—	(219.01)	—	—	—	(219.01)
Closing balance as at 31 <sup>st</sup> March 2018	(1,011.01)	2,136.88	1,354.71	3,795.17	86.52	6,362.27
Charged/(credited) during 2018-19						
To Profit & Loss	233.63	(29.26)	1,624.83	(6.34)	0.84	1,823.70
To other comprehensive income	—	(13.97)	—	—	—	(13.97)
Closing balance as at 31 <sup>st</sup> March 2019	(777.38)	2,093.65	2,979.54	3,788.83	87.36	8,171.99

### NOTE :- 8 - OTHER NON-CURRENT ASSETS

Particulars	AMOUNT (₹ in Lakh)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>a) Capital Advances</b>		
Capital Advance to Indian Railways for Construction of Flats & Land (Refer Note :- 57)	211.43	211.43
Capital Advance to RVNL for Construction of Flats & Land (Refer Note :- 57)	780.00	342.00
Capital Advance to Air India for Construction of Flats & Land (Refer Note :- 57)	653.00	—
Capital Advance for Land for Budget Hotel at Bhubaneswar	61.48	61.48
<b>b) Others</b>		
Deposits with Govt. Authorities	574.72	567.83
Fair value adjustment on Security Deposits made*	6.57	19.78
<b>Total</b>	<b>2,287.20</b>	<b>1,202.52</b>

\*It represents unamortised portion of the difference between the fair value of financial assets on initial recognition and expenditure incurred.

### NOTE :- 9 - INVENTORIES

(As taken, Valued and certified by management)

Particulars	AMOUNT (₹ in Lakh)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Raw Material	329.99	296.36
Work In progress	64.55	59.54
Finished Goods	377.53	366.33
Trading Goods-Packed (PD) items	16.80	18.37
<b>Total inventories at the lower of cost and net realisable value</b>	<b>788.87</b>	<b>740.60</b>



### NOTE :- 10 - FINANCIAL ASSETS

AMOUNT (₹ in Lakh)

#### NOTE :- 10.1 - TRADE RECEIVABLES

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Considered Good-Unsecured	55,652.64	51,430.02
Significant Increase in Credit Risk	10,971.44	7,514.35
Less: Allowances for Bad & doubtful Debts	(8,450.64)	(3,851.97)
<b>Total Trade receivables</b>	<b>58,173.44</b>	<b>55,092.40</b>

#### NOTE 10.2 - CASH AND CASH EQUIVALENT

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Cash on hand	33.88	55.61
Cheques/drafts on hand	41.07	8,090.93
Balances with banks:		
– In Current Account	43,772.73	30,978.92
– In Flexi Current Account	2,159.27	10,190.43
<b>Total</b>	<b>46,006.95</b>	<b>49,315.89</b>

#### NOTE :- 10.3 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
- Deposits with original maturity of more than 3 months but less than 12 months (Refer Note – 55)	67,842.74	33,836.02
- Margin money against Bank guarantee	153.86	235.34
<b>Total</b>	<b>67,996.60</b>	<b>34,071.36</b>

#### NOTE :- 10.4 - LOANS

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Security Deposits	835.15	898.62
<b>Total</b>	<b>835.15</b>	<b>898.62</b>

#### NOTE :- 10.5 - OTHER CURRENT FINANCIAL ASSETS

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Interest Accrued but not due on Term & Fixed deposits	3,100.12	1,421.09
Other Advances & Receivables	372.88	285.45
<b>Total</b>	<b>3,473.00</b>	<b>1,706.54</b>

#### NOTE :- 11- CURRENT TAX ASSETS

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Income Tax Refunds	1,008.46	391.47
Provision for Income tax (Net of advance tax & TDS)	–	436.74
<b>Total</b>	<b>1,008.46</b>	<b>828.21</b>





### NOTE :- 12 - OTHER CURRENT ASSETS

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Advances other than Capital Advances</b>		
Other Advances	2,998.08	1,998.94
Less: Provision for Doubtful advances	(75.98)	(62.48)
Balance with Govt. Authorities	3,722.36	3,764.86
Other Deposits with Railway	39,354.67	53,753.10
Duty Credit License under ("Served from India Scheme")	—	2.61
<b>Others</b>		
Prepaid Expenses*	1,572.75	263.75
Fair value adjustment on Security Deposits made**	18.06	16.15
<b>Total</b>	<b>47,589.94</b>	<b>59,736.93</b>

\* Includes Railway Share on advance license fee collected from the Licencee.

\*\*It represents unamortised portion of the difference between the fair value of financial assets on initial recognition and expenditure incurred.

### NOTE : - 13 - EQUITY SHARE CAPITAL

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Authorised share capital</b>		
25,00,00,000 Equity shares of ₹ 10 each	25,000.00	5,000.00
(As at 31 <sup>st</sup> March 2018-5,00,00,000 Equity shares of ₹ 10 each)	25,000.00	5,000.00
<b>Issued/Subscribed and Paid up Capital</b>		
16,00,00,000 Equity shares of ₹ 10 each	16,000.00	4,000.00
(As at 31 <sup>st</sup> March 2018 - 4,00,00,000 Equity shares of ₹ 10 each)	16,000.00	4,000.00

### NOTE :- 13.1 - RECONCILIATION OF THE NUMBER OF EQUITY SHARES AND SHARE CAPITAL

	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares in lakhs	Amount (₹ in Lakhs)	No. of shares in lakhs	Amount (₹ in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	400.00	4,000.00	400.00	4,000.00
Add: Shares Issued during the year(Bonus)	1,200.00	1,200.00	—	—
<b>Issued/Subscribed and Paid up equity Capital outstanding at the end of the year</b>	<b>1,600.00</b>	<b>16,000.00</b>	<b>400.00</b>	<b>4,000.00</b>

### Note 13.2 :- Rights, Preference and restrictions attached to shares

The Company has one class of Equity Shares having a par value of Rs. 10 each Per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The Company has no Preference Shares, thus, in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company.



### NOTE :- 13.3

#### DETAILS OF SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

Name of the Shareholder	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	No. of shares in lakhs	% of holding	No. of shares in lakhs	% of holding
<b>Equity Shares:</b>				
Ministry of Railway, Govt. of India & its nominees	1,600.00	100%	400.00	100%
<b>Total</b>	<b>1,600.00</b>	<b>100%</b>	<b>400.00</b>	<b>100%</b>

### NOTE :- 13.4

#### AGGREGATE NO. OF EQUITY SHARES ISSUED AS FULLY PAID BY WAY OF BONUS DURING THE PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE REPORTING DATE

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
	No's in Lakhs	No's in Lakhs	No's in Lakhs	No's in Lakhs	No's in Lakhs
Equity shares issued as bonus	1,200.00	—	200.00	—	—
<b>Total</b>	<b>1,200.00</b>	<b>—</b>	<b>200.00</b>	<b>—</b>	<b>—</b>

Particulars	AMOUNT (₹ in Lakh)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018

### NOTE :- 14

#### OTHER EQUITY

General Reserve	45,491.70	41,991.70
Retained Earnings	45,210.18	48,545.16
<b>Total</b>	<b>90,701.88</b>	<b>90,536.86</b>

### NOTE :- 14.1

#### GENERAL RESERVE

Opening Balance	41,991.70	38,491.70
Add: Transfer from Retained Earnings	3,500.00	3,500.00
<b>Closing Balance</b>	<b>45,491.70</b>	<b>41,991.70</b>

### NOTE :- 14.2

#### RETAINED EARNINGS

Opening Balance	48,545.16	35,358.45
Less: Impact due to Ind AS-115	(514.24)	—
<b>Add: Profit during the period transfer from statement of profit &amp; loss</b>	<b>30,592.99</b>	<b>21,951.95</b>
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	26.01	413.82
Payment of dividend on equity shares	(14,880.92)	(4,718.49)
Payment of dividend tax on equity shares	(3,058.82)	(960.57)
Transferred to General Reserve	(3,500.00)	(3,500.00)
57,210.18	48,545.16	
<b>Less: Issue of bonus shares</b>	<b>(12,000.00)</b>	<b>—</b>
<b>Closing Balance</b>	<b>45,210.18</b>	<b>48,545.16</b>



### Distributions Made and Proposed

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Cash dividend on Equity shares declared and paid</b>		
Final Dividend during 2018-19:- ₹ 22.24 per share ( F.Y 2017-18 ₹ 11.80 per share)	8,880.92	4,718.49
Including Interim Dividend paid during the year (F.Y 2018-19 ₹ 3.75 per share)	6,000.00	—
Dividend distribution Tax on Final dividend	3,058.82	960.57
	<b>17,939.74</b>	<b>5,679.06</b>
<b>Proposed Dividend on Equity shares*</b>		
Dividend for 31 <sup>st</sup> March 2019 :- ₹ 8.62 Per Share (31 <sup>st</sup> March 2018: ₹ 22.24 Per share)	12,237.19	8,880.92
Dividend Distribution Tax on Proposed Dividend	2,515.39	1,807.98
	<b>14,752.59</b>	<b>10,688.90</b>

\*The proposed dividend (including dividend distribution tax) on equity shares are subject to approval by shareholders at the Annual General Meeting and has not been recognised as a liability as at 31st March 2019 includes Interim Dividend.

### NOTE :- 15

#### FINANCIAL LIABILITIES- NON CURRENT

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>NOTE :- 15.1 OTHERS</b>		
Security Deposits	1,472.24	2,423.18
<b>Total</b>	<b>1,472.24</b>	<b>2,423.18</b>

### NOTE : - 16

#### PROVISIONS- NON CURRENT

Retirement Benefits (Refer Note :- 42)	4,616.09	5,846.98
<b>Total</b>	<b>4,616.09</b>	<b>5,846.98</b>

### NOTE : - 17

#### OTHER NON CURRENT LIABILITIES

Deferred Grant	275.54	371.90
Deferred portion of Security Deposits*	305.47	321.55
<b>Total</b>	<b>581.01</b>	<b>693.45</b>

\* It represents unamortized portion of the difference between the fair value of financial liability on initial recognition and expenditure incurred.

### NOTE :- 18 FINANCIAL LIABILITIES- CURRENT

#### NOTE :- 18.1 TRADE PAYABLES

Payable to MSME (Refer Note 67)	0.00	86.15
<b>Payable to others</b>		
For Goods	2,871.07	2,241.00
For Services	16,221.17	12,755.45
<b>Total</b>	<b>19,092.24</b>	<b>15,082.60</b>



### NOTE :- 18.2

#### OTHER FINANCIAL LIABILITIES

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Security Deposits	11,008.62	8,549.53
Earnest Money deposit	2,469.49	1,944.32
Refundable for Internet Ticketing	1,733.94	1,311.05
Payable towards Others-Expenses Provisions	41,713.02	36,722.58
Lease Rent advance	1,741.50	1,741.50
Advance Refundable (State Teertha)	2,076.35	801.08
<b>Total</b>	<b>60,742.92</b>	<b>51,070.06</b>

### NOTE : - 19

#### OTHER CURRENT LIABILITIES

##### a) Contract Liability

Unexpired concession fee	657.25	1.87
Unexpired License fee	11,313.73	16,622.72
Unexpired User Charges	39.60	38.63
Advances received	7,140.02	4,903.41
	19,150.60	21,566.63

##### b) Others

Rolling Deposits	25,886.51	22,720.66
Provision for VAT (Net of service tax) (Refer Note :- 37.4)	8,251.01	8,251.01
Provision for Service Tax	2,591.56	2,591.56
Deferred portion of Security Deposits*	115.77	151.80
Statutory Dues	5,623.84	4,647.09
Deferred Grant	96.36	96.36
<b>Total</b>	<b>61,715.65</b>	<b>60,025.11</b>

\* It represents unamortized portion of the difference between the fair value of financial liability on initial recognition and expenditure incurred.

### NOTE : - 20

#### PROVISIONS- CURRENT

Provision for Employee Benefits (Refer Note :- 42)	1375.34	327.54
<b>Total</b>	<b>1,375.34</b>	<b>327.54</b>

### NOTE : - 21

#### CURRENT TAX LIABILITY

Provision for Income tax (Net of advance tax & TDS)	2,544.79	—
<b>Provision for Income Tax net of Advance Tax and TDS</b>	<b>2,544.79</b>	<b>—</b>



### NOTE: - 22 - REVENUE FROM OPERATIONS

AMOUNT (₹ in Lakh)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
<b>A. Sale of Products (Inclusive of excise duty)</b>		
Railneer (Packaged Drinking Water)	17,202.28	16,225.25
Catering		
– Sale of Food & Beverages	2,952.94	26,443.99
Non–Railway Business		
– Income from Catering	552.52	866.98
– Income from Other Services	13.00	2.26
	<b>20,720.74</b>	<b>43,538.48</b>
<b>Total–Sale of Product</b>	<b>20,720.74</b>	<b>43,538.48</b>
<b>B. Sale of Service</b>		
<b>i) Internet Ticketing</b>		
Income From License Fee-Call Centre	21.17	135.24
Income from Advertisement/ SBI CO-Branded Cards & Loyalty Cards	9,923.77	10,280.37
Income From Fees from IATA/RTSA/ Internet Cafe, etc.	4,399.09	1,240.10
Service Charges Earned–IR Tickets	5.85	5.54
Reimbursement Against Service Charges (Refer to Note 58)	8,800.00	8,000.00
(a)	<b>23,149.88</b>	<b>19,661.25</b>
<b>ii) Income From Catering Services</b>		
Income from Catering Services provided Income from On Board Catering & Other Services- Rajdhani/Shatabdi/Premium Trains	51,613.15	16,782.74
<b>Income from Concession Fee, License Fee etc.</b>		
Income from Concession Fee	2,604.52	377.32
Income from License Fee	38,203.33	21,620.00
Income from User Charges-Food Plaza	51.50	88.93
Income from License Fee-Food Plaza (Refer note no - 56)	6,389.59	5,207.57
(b)	<b>98,862.09</b>	<b>44,076.55</b>
<b>iii) Tourism</b>		
Travel & Tour revenue	38,017.61	35,025.63
Income from User Charges-Rail Yatri Niwas	141.03	131.80
Income from License Fee-Rail Yatri Niwas	389.96	169.72
Maharaja Express-Revenue	5,382.75	4,381.92
(c)	<b>43,931.35</b>	<b>39,709.07</b>
<b>Total-Sale of Services (a+b+c)</b>	<b>165,943.32</b>	<b>103,446.87</b>
<b>Other Operating Income</b>		
Scrap Sale–Rail Neer	40.62	28.33
Scrap Sale– Catering	12.83	1.59
Scrap Sale–Non–Railway Catering	0.89	0.37
License Fee - Railneer	105.17	101.09
	<b>159.51</b>	<b>131.38</b>
	<b>159.51</b>	<b>131.38</b>
<b>Revenue from Operation (Gross)</b>	<b>186,823.57</b>	<b>147,116.73</b>





### NOTE :- 23 OTHER INCOME

		AMOUNT (₹ in Lakh)	
Particulars		For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
<b>Interest Income</b>			
Interest Income on FDR's & TDR's (Gross)		5,088.18	4,568.12
Interest Income - Others		107.29	7.41
Dividend Income from Mutual fund		637.28	388.89
	(a)	<u>5,832.75</u>	<u>4,964.42</u>
<b>Other Non-Operating Income</b>			
Countermanding Charges & Security Deposit Forfeited		29.10	232.34
Income Accrued on Forfeiture of Contracts		13.43	16.92
Sale of Tender Forms		3.11	5.81
Profit on foreign exchange fluctuation		—	2.11
Amortization of Capital Grant		96.36	96.36
Income from amortisation of deferred security deposits-Liability		160.48	307.12
Interest Income on Unwinding of Discounts on security deposits		18.39	17.91
Contractual Fines & Penalties received		1,103.85	986.65
Income from Duty credit licence under "Served from India Scheme"		98.84	72.82
Reimbursement of Travel Insurance Premium		1,068.00	—
Miscellaneous Income		453.38	655.46
	(b)	<u>3,044.94</u>	<u>2,393.50</u>
<b>Total</b>	(a+b)	<u>8,877.69</u>	<u>7,357.92</u>

### NOTE :- 24 COST OF MATERIAL CONSUMED

<b>Railneer (Packaged Drinking Water)</b>			
Opening Stock		254.94	189.30
Add: Purchases And Expenses		7,762.28	7,397.29
		<u>8,017.22</u>	<u>7,586.59</u>
Less: Closing Stock		263.46	254.94
	(a)	<u>7,753.76</u>	<u>7,331.65</u>
<b>CATERING</b>			
Opening Stock		41.43	51.08
Add: Purchases And Expenses		1,602.46	2,188.04
		<u>1,643.89</u>	<u>2,239.12</u>
Less: Closing Stock		66.52	41.43
	(b)	<u>1,577.37</u>	<u>2,197.69</u>
<b>Total</b>	(a+b)	<u>9,331.13</u>	<u>9,529.34</u>



### NOTE :- 25

#### PURCHASE OF STOCK-IN-TRADE

AMOUNT (₹ in Lakh)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
Purchase of PD/Cooked food items for resale	2,829.38	15,460.49
Purchase – Non–Railway Catering	265.69	344.52
	<u>3,095.07</u>	<u>15,805.01</u>
<b>Total</b>	<b><u>3,095.07</u></b>	<b><u>15,805.01</u></b>

### NOTE :- 26

#### CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

##### RAILNEER (Packaged Drinking Water)

<b>Opening Stock</b>	356.51	272.51
Work in progress	59.54	59.44
	<b>416.05</b>	<b>331.95</b>
<b>Closing Stock</b>		
Finished Goods	358.97	356.51
Work in progress	64.55	59.54
<b>Total</b>	<b><u>423.52</u></b>	<b><u>416.05</u></b>
	<b><u>(7.47)</u></b>	<b><u>(84.10)</u></b>

##### DEPARTMENTAL CATERING

<b>Opening Stock</b>		
Finished Goods	2.22	7.08
PD Items	17.05	65.08
<b>Closing Stock</b>	<b>19.27</b>	<b>72.16</b>
Finished Goods	1.40	2.22
PD Items	16.80	17.05
	<b><u>18.20</u></b>	<b><u>19.27</u></b>
	<b><u>1.07</u></b>	<b><u>52.89</u></b>

##### MAHARAJA EXPRESS

<b>Opening Stock</b>		
Finished Goods	8.93	13.58
<b>Closing Stock</b>	<b>17.15</b>	<b>8.93</b>
Finished Goods	<b><u>(8.22)</u></b>	<b><u>4.65</u></b>
<b>(Increase)/Decrease in Finished Goods</b>	<b><u>(14.62)</u></b>	<b><u>(26.56)</u></b>

### NOTE :- 27

#### EXPENSES OF LICENSEE CATERING SERVICES

##### Expenses of Catering & Comprehensive Services Provided

On Board Catering & Other Charges - Rajdhani & Shatabdi/Premium Trains	44,822.15	15,157.97
	<b><u>44,822.15</u></b>	<b><u>15,157.97</u></b>
<b>Expense of Concession Fee, License Fee etc.</b>		
Concession Fee	1,041.82	150.93
License Fee	14,728.74	5,823.51
User Charges - Food Plaza	20.60	35.57
License Fee - Food Plaza	2,555.84	2,097.75
License Fee Railway Land - Food Plaza	22.40	0.85
	<b><u>18,369.40</u></b>	<b><u>8,108.61</u></b>
	<b><u>63,191.55</u></b>	<b><u>23,266.58</u></b>



### NOTE :- 28 EXPENSES OF TOURISM

AMOUNT (₹ in Lakh)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
Travel & Tour Expenses	26,975.77	26,293.46
License Fee - Rail Yatri Niwas	155.99	62.20
User Charges - Rail Yatri Niwas	56.41	58.41
License Fee Paid Railway Land - Rail Yatri Niwas	0.04	0.04
Maintenance & Other Charges	284.95	369.13
Expenses of Maharaja Express	3,427.65	3,737.18
	<b>30,900.81</b>	<b>30,520.42</b>
	<b>30,900.81</b>	<b>30,520.42</b>

### NOTE :- 29 MANUFACTURING & DIRECT EXPENSES

#### Rail Near (Packaged Drinking Water)

- Operation & Maintenance Charges	1,414.47	1,173.93
- License fee Railway Land	222.21	199.58
- Power & Fuel	983.82	826.96
- Repair & Maintenance - Plant & Machinery	23.03	84.81
- Repair & Maintenance - Others	101.69	73.93
- Other Direct Expenses	11.80	58.43
(a)	<b>2,757.02</b>	<b>2,417.64</b>

#### Catering

- Freight Inward Loading & Unloading-Catering	116.02	58.85
- Food Inspection Expenses	52.06	8.33
- Fuel	112.71	237.14
- On Board Service Charges	—	744.04
- Other Direct Expenses	195.93	80.62
(b)	<b>476.72</b>	<b>1,128.98</b>

#### Internet Ticketing

- Maintenance & Other Charges	2,486.52	2,853.88
- Cancellation Charges	21.29	7.26
- Railway Share (Refer Note - 56)	2.93	2.77
- Internet Usage Charges	95.63	108.69
- Messaging Expenses	286.43	195.30
(c)	<b>2,892.80</b>	<b>3,167.90</b>

<b>Total</b>	<b>(a+b+c)</b>	<b>6,126.54</b>	<b>6,714.52</b>
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### NOTE :- 30 EMPLOYEE BENEFIT EXPENSES

#### Employee Benefits Expenses

Salaries, Wages & Bonus	16,735.35	15,236.32	
Contribution to Provident, Leave encashments and Other Funds		2,203.61	2,611.92
Gratuity		463.52	1,302.48
Staff Welfare Expenses		103.32	64.43
	<b>19,505.80</b>	<b>19,215.15</b>	
		<b>19,505.80</b>	<b>19,215.15</b>



### NOTE :- 31 FINANCE COSTS

AMOUNT (₹ in Lakh)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
Interest Expenses	0.23	4.27
Unwinding of discount on security deposits	234.63	286.49
	<b>234.86</b>	<b>290.76</b>
	<b>234.86</b>	<b>290.76</b>

### NOTE :- 32 DEPRECIATION & AMORTIZATION COSTS

Depreciation on Tangible Assets (Refer Note-3 & 5)	2,445.29	1,715.76
Amortization on Intangible Assets (Refer Note-5A)	418.67	650.35
	<b>2,863.96</b>	<b>2,366.11</b>
	<b>2,863.96</b>	<b>2,366.11</b>

### NOTE :- 33 OTHER EXPENSES

Electricity & Water	330.97	266.64
Office Rent	1,224.33	2,499.61
Duties, Rates & Taxes	34.31	46.37
Repair Maintenance & other	911.56	956.68
Insurance	41.50	36.37
Travelling Expenses	858.71	690.06
Conveyance Expenses	209.92	188.80
Director Sitting Fees	14.85	8.41
Payment to Auditors (Refer Note No-33.1)	11.65	14.25
Cost Audit Fee	2.75	2.75
Internal Audit Fee	7.84	4.42
Legal & Professional Fees	696.18	294.94
Communication Expenses	179.52	202.46
Customer Satisfaction Survey Expenses	285.77	272.03
Freight Outward & CFA Charges	3,221.36	2,647.14
Corporate Social Responsibility	688.30	553.26
Printing and Stationary	106.20	110.87
Digitization Expense (Travel Insurance)	927.57	2,387.61
Advertisement Expenses	438.79	527.00
Business Development/Marketing Exp.	932.22	223.87
Vendors' Commission	64.08	293.27
Interest Exp on MSME	—	8.22
Security Expenses	240.79	229.10
Profit on foreign exchange fluctuation	7.87	—
Loss on Sale of Fixed Assets	14.54	40.65
Provision for Doubtful Debts	4,612.16	—
Miscellaneous Expenses	548.90	478.70
<b>Total</b>	<b>16,612.64</b>	<b>12,983.48</b>



### NOTE :- 33.1

#### DETAILS OF PAYMENT TO AUDITORS

AMOUNT (₹ in Lakh)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
<b>Payment to Auditors as Auditor</b>		
Audit Fee	7.70	7.15
Tax Audit Fee	2.75	2.48
<b>In other Capacity</b>		
Company Law Matters	—	—
Re-imbursement of Expenses	1.20	4.62
<b>Total</b>	<b>11.65</b>	<b>14.25</b>

### NOTE :- 33

#### EXCEPTIONAL ITEMS

Excess Provision Written Back	107.12	524.57
Reimbursement of Travel Insurance Premium*	3,632.00	—
<b>Total</b>	<b>3,739.12</b>	<b>524.57</b>

\* Reimbursement of Travel Insurance Premium represents the claim received from the railways for reimbursement of cost of insurance to railway passengers for F.Y 16-17 & 17-18.

### NOTE :- 34

#### INCOME TAX EXPENSE

##### Current Income Tax:

Current income tax charge	18,823.35	11,603.63
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##### Deferred Tax:

In respect of the current year	(1,823.70)	342.14
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<b>Total</b>	<b>16,999.65</b>	<b>11,945.77</b>
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#### INCOME TAX EXPENSE IN OTHER COMPREHENSIVE INCOME

##### Deferred Tax:

In respect of the current year	13.97	219.01
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<b>13.97</b>	<b>219.01</b>
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#### RECONCILIATION BETWEEN TAX EXPENSE AND THE ACCOUNTING PROFIT :

Accounting profit before tax from continuing operations	47,632.62	34,530.54
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<b>Accounting profit before income tax</b>	<b>47,632.62</b>	<b>34,530.54</b>
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At India's statutory income tax rate of 34.944 %	16,644.74	11,950.33
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#### Tax effect of amounts which are not deductible (taxable) in calculating Taxable income

Add: Ind AS Adjustment Not Allowed in income tax	230.21	(7.10)
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Penalties/Interest paid on late deposit of Tax	46.11	32.86
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CSR Expenditure	240.52	191.47
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Prior Period Income & Exp	—	88.93
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Interest Exp on MSME	—	2.84
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Exempt Income	(171.83)	(94.57)
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Impact of Change in rate and other Items	23.86	—
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<b>368.87</b>	<b>214.45</b>
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#### At the Effective Income Tax rate

<b>17,013.62</b>	<b>12,164.78</b>
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Income tax expense reported in the statement of profit and loss (relating to continuing operations)	17,013.62	12,164.78
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<b>Effective Tax Rate</b>	<b>35.72%</b>	<b>35.23%</b>
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### NOTE :- 35

#### COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

AMOUNT (₹ in Lakh)

Particulars	FVTOCI Reserve	
	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
Remeasurement of Defined benefit plans		
- Gratuity	29.00	699.71
- Leave Travel Concession	10.98	(66.89)
<b>Total</b>	<b>39.98</b>	<b>632.82</b>
Tax on Remeasurement of Defined benefit plans	(13.97)	(219.01)
<b>Total</b>	<b>(13.97)</b>	<b>(219.01)</b>

### NOTE: - 36

#### EARNINGS PER SHARE (EPS)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
	(₹ per share)	
<b>Basic EPS</b>		
From continuing operation	19.12	13.72
From discontinuing operation	—	—
<b>Diluted EPS</b>		
From continuing operation	19.12	13.72
From discontinuing operation	—	—

AMOUNT (₹ in Lakh)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
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#### 36.1 BASIC EARNING PER SHARE

The earnings and weighted average number of equity shares used in calculation of basic earning per share and the EPS for the previous year is restated after adjustment for issue of bonus shares during the year.

Profit attributable to equity holders of the company:

From Continuing operations	30,592.99	21,951.95
From discontinuing operation	—	—
<b>Earnings used in calculation of Basic Earning Per Share</b>	<b>30,592.99</b>	<b>21,951.95</b>
Weighted average number of shares for the purpose of basic earnings per share	1,600.00	1,600.00

#### 36.2 DILUTED EARNING PER SHARE

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

Profit attributable to equity holders of the company:

Continuing operations	30,592.99	21,951.95
From discontinuing operation	—	—
<b>Earnings used in calculation of diluted Earning Per Share from continuing operations</b>	<b>30,592.99</b>	<b>21,951.95</b>

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Weighted average number of shares for the purpose of basic earnings per share	1600.00	1600.00
Effect of Dilution :	—	—
<b>Weighted average number of shares for the purpose of Diluted earnings per share</b>	<b>1600.00</b>	<b>1600.00</b>



### NOTE :- 37 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

#### Note :- 37.1- Provisions

Pursuant to the Ind AS-37 "Provisions, Contingent Liabilities and Contingent Assets", the disclosure relating to provisions made in the accounts for the year ended 31<sup>st</sup> March 2019 is as follows:-

Amount (₹ in Lakh)

Particulars	Provision for Bad and Doubtful Debts		Provision for Doubtful advances		Provision for Pension		Provision for Leave Encashment (Retirement Benefits)		Provision for Gratuity (Retirement Benefits)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Opening Balance	3,851.97	3,848.84	62.48	62.48	812.45	2940.94	246.88	72.26	684.91	874.65
Addition	4,598.66	3.13	13.50	-	54.45	723.22	390.93	710.52	434.53	582.2
Utilization/ Contribution	-	-	-	-	(764.37)	(2,851.71)	(443.60)	(535.90)	(160.00)	(775.27)
Adjustment/Reversal	-	-	-	-	-	-	-	-	-	3.33
Closing Balance	8,450.63	3,851.97	75.98	62.48	102.53	812.45	194.21	246.88	959.44	684.91

Particulars	Provision for Pension for Optees		Provision for Post retirement medical Scheme		Provision for Half Pay leave		Provision for LTC	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Opening Balance	1,588.60	1,711.62	1,044.16	857.67	1,658.12	1401.9	139.39	59.50
Addition	-	-	200.98	186.49	185.25	261.24	15.86	88.53
Utilization/ Contribution	-	-	-	-	-	-	-	-
Adjustment/Reversal	(81.65)	(123.02)	-	-	(2.38)	(5.02)	(13.08)	(8.64)
Closing Balance	1,506.95	1,588.60	1,245.14	1,044.16	1,840.99	1,658.12	142.17	139.39

#### Notes:

- 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.
- Provision of Pension in respect of deemed deputationist Optees has been made to make 100% commutation of difference of pension (IRCTC-Railways) as full and final one time settlement of pensionary liabilities of IRCTC so as to avoid monthly recurring liability of pension. Provision of Leave Encashment includes '21.66 lakhs for deemed deputationists Optees.



### 37.2: Contingent Liabilities (As ascertained, quantified and certified by the management)

Claim against the Corporation not acknowledge as debt.

Amount (₹ in Lakh)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
a.	Service Tax	8,470.66	8,445.54
b.	VAT & Other Taxes	3,259.08	2,577.60
c.	Others	4,949.36	6,465.09
	<b>Total</b>	<b>16,679.10</b>	<b>17,488.23</b>

#### Note :- 37.3

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

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

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

Based on legal opinion available with the Company and in view of the termination of the joint venture agreement, the IRCTC is of the view that Cox and Kings Ltd. 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.

#### Note :- 37.4 VAT Case filled 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.

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 ₹ 8251.01 lakh up to FY 2017-18( 30th June,2017) 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 :- 37.5

#### Contingent Assets

(₹ in Lakh)

S. No.	Arbitration	Particulars	Appellate Authority	Awarded amount
1	Food World	Award of license fee in Train NO. 2859-60 Train NO. 2975-76	SLP pending in SC	148.00
2	A.K. Roy Vs IRCTC	2577-78, 5279-80, 2395-96, 9165/66/67-68, 2555-56,2569-70, 2213-14,2203-04, 2061-62, 2209-10, 1043-44	Pending in Patiala House Court	21.95
3	CKK Caterers	Suit for recovery	Suit pending	102.00
4	Maa Tara Traders	Recovery of amount from CFA.	Arbitration pending	534.00
5	VivasWan Hotel	Recovery of license fee Train NO. 2621-22 and 2723-24	Objection dismissed.	103.40
6	Railways	Passenger Feedback System	NA	1,561.32
7	Duty Credit Entitlement	Duty Credit Entitlement as per Foreign Trade Policy 2015-2020		546.00

### NOTE :- 38

#### 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 2018-19 to smoothen the process. However, certain differences are still persisting for financial years prior to 2018-19 which are because of non-comparability of data cycle of IRCTC and the respective banks. Apart from above, there are some postings which are made after verification & reconciliation of the respective entries.

### NOTE :- 39

#### TRADE RECEIVABLES

- Railways Balances** The railways balances in form of trade receivables, trade payables, advances paid and security deposits are subject to reconciliation and confirmation with the railways and includes old balances since the time of takeover of catering from the railways. The company is in the process of identifying and segregating the railway balances.
- Third Party Balances** The third party balances are subject to reconciliations and confirmations from the various party. The management shall devise the policy and practice of formalizing the reconciliation procedure and ensure that the reconciliations and confirmations are done on frequent basis. Pending confirmation and reconciliation of Trade Receivables, the Corporation has decided to create a provision of ₹ 4,051.30 lakh (31<sup>st</sup> March '18 ₹ 3.13 lakh) against receivables which is in view of the management are doubtful of recovery.



### NOTE :- 40

#### CAPITAL COMMITMENTS

Estimated amount of Contracts remaining to be executed on capital account and not provided for amounts to ₹ 5722.17 Lakhs as at 31<sup>st</sup> March 2019 as against ₹ 8318.33 Lakhs as at 31<sup>st</sup> March 2018.

### NOTE :- 41

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 :- 42

#### EMPLOYEE BENEFITS

General eneral 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 ₹ 20 Lakhs 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.
- (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 2016-17 in terms of Government rules and regulations is charged to revenue on accrual basis.

Other disclosures, as required under Ind AS-19 "Employee Benefits" in respect of defined obligations are:

- (vii) **National Pension Scheme:** Retirement benefit in the form of NPS is a defined contribution scheme. The company has no obligation, other than the contribution @10% of Basic pay plus dearness allowance payable under such scheme. The company recognize contribution payable to such scheme as an expense, when an employee render the related service.

#### (a) Actuarial Assumptions

S. No.	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
(i)	Discount rate(per annum)	7.65%	7.80%
(ii)	Mortality rate	Indian Assured Lives Mortality (2006-08) (Modified Ultimate)	Indian Assured Lives Mortality (2006-08) (Modified Ultimate)
(iii)	Expected Return on assets	8.30%	8.30%
(iv)	Salary Escalation	10%	10%
(v)	Attrition Rate	2%	2%
(vi)	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) Components of Employer Expense

Amount (₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(i)	Current Service Cost	410.11	380.90	379.42	396.74	192.01	198.00	15.97	17.26
(ii)	Past Service Cost	–	836.31						
(iii)	Curtailement Cost								
(iv)	Settlement Cost								
(v)	Total Service Cost	410.11	1,217.21	379.42	396.74	192.01	198.00	15.97	17.26
	Net interest Cost								
(vi)	Interest Expense on DBO	266.28	199.58	253.25	186.25	129.33	103.32	10.87	4.39
(vii)	Interest (Income on Plan Assets)	(212.86)	(134.87)	(239.12)	(186.04)				
(viii)	Total Net Interest	53.42	64.71	14.13	0.21	129.33	103.32	10.87	
(ix)	Immediate Recognition of Gain/Losses Other Long Term benefits			(2.60)	313.58	(136.10)	(40.08)	(10.98)	
(xi)	<b>Defined Benefits cost included in P&amp;L</b>	463.53	1,281.92	390.95	710.52	185.24	261.24	15.86	21.65

### (d) Net Asset/Liability Recognised in Balance Sheet

Amount (₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(i)	Actuarial (Gain)/Losses due to Demographic Assumption changes in DBO	–	–	–	–	–	–	–	–
(ii)	Actuarial (Gain)/Losses due to Financial Assumption changes in DBO	95.22	(1,262.92)	84.97	(5,385.84)	42.42	(2,614.65)	4.10	(25.29)
(iii)	Actuarial (Gain)/Losses due to Experience on DBO	(124.02)	579.28	–	5,079.55	(178.53)	2,574.57	(15.08)	92.19
(iv)	Return on Plan Assets (Greater)/Less than Discount Rate	(0.20)	(16.07)	28.97	7.29	–	–	–	–
(v)	Total Actuarial (gain)/loss included in OCI	(29.00)	(699.71)	–	–	–	–	(10.98)	66.89
(vi)	Total Cost Recognised in P&L and OCI (Defined Benefit Cost)	–	–	–	–	–	–	–	–
(vii)	Cost Recognised in P&L	–	1,281.92	390.95	710.52	185.24	261.24	–	21.65
(viii)	Remeasurement Effect Recognised in OCI	(29.00)	(699.71)	–	–	–	–	(10.98)	66.89
(ix)	<b>Total Defined Benefit Cost</b>	(29.00)	582.21	390.95	710.52	185.24	261.24	(10.98)	88.54





### (e) Net Asset/Liability Recognised in Balance Sheet

Amount (₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(i)	Present Value of Benefit Obligation	4,027.70	3,413.84	3,548.83	3,246.81	1,840.99	1,658.12	142.17	139.39
(ii)	Fair Value of Plan Assets	3,068.26	2,728.93	3,376.29	3,065.60	–	–	–	–
(iii)	Funded Status (Surplus/(Deficit))	(959.44)	(684.91)	(172.54)	(181.21)	(1,840.99)	(1,658.12)	(142.17)	(139.39)
(iv)	Unrecognised Past Service Costs	–	–	–	–	–	–	–	–
(v)	Net Assets/(Liability) Recognised in balance sheet	(959.44)	(684.91)	(172.54)	(181.21)	(1,840.99)	(1,658.12)	(142.17)	(139.39)
(vi)	Present Value of Encashment Obligation	–	–	–	–	–	–	–	–
(vii)	Present Value of Availment Obligation	–	–	–	–	–	–	–	–
	<b>Current Liability</b>	959.44	684.91	172.54	181.21	101.19	80.58	142.17	48.16
	<b>Non-Current Liability</b>	–	–	–	–	1,739.80	1,577.55	–	91.23

### (f) Change in Obligation over the period ending on

Amount (₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(i)	Present Value of Defined Benefits Obligation at Beginning	3,413.84	2,708.03	3,246.81	2,527.11	1,658.12	1,401.90	139.39	59.50
(ii)	Current Service Cost	410.11	380.90	379.42	396.74	192.01	198.00	15.97	17.26
(iii)	Interest Cost	266.28	199.58	253.25	186.25	129.33	103.32	10.87	4.39
(iv)	Plan Amendments	–	–	–	–	–	–	–	–
(v)	Prior Service Costs	–	–	–	–	–	–	–	–
(vi)	Curtailments	–	836.31	–	–	–	–	–	–
(vii)	Settlements	–	–	–	–	–	–	–	–
(viii)	Actuarial (Gains)/Loss	(28.79)	(683.64)	(31.57)	306.28	(136.10)	(40.07)	(10.98)	66.89
(ix)	Benefits Paid	(33.73)	(27.33)	(299.07)	(169.58)	(2.37)	(5.03)	(13.08)	(8.64)
(x)	Present Value of Defined Benefits(Closing)	4,027.70	3,413.84	3,548.83	3,246.80	1,840.99	1,658.12	142.17	139.39

### (g) Reconciliation of Opening & Closing Values of Plan Assets

Amount (₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(i)	Fair value of plan assets at the beginning of the period	2,728.93	1,830.05	3,065.60	2,524.31	–	–	–	–
(ii)	Acquisition adjustment	–	–	–	–	–	–	–	–
(iii)	Expected return on plan assets	212.86	134.87	–	–	–	–	–	–
(iv)	Contributions	160.00	775.27	106.14	362.54	2.37	–	13.08	8.64
(v)	Benefits paid	(33.73)	(27.33)	(5.59)	–	–	–	–	–
(vi)	Actuarial gain/(loss) on plan assets	0.20	16.07	210.14	178.75	(2.37)	–	(13.08)	(8.64)
(vii)	Fair value of plan assets at the end of the period	3,068.26	2,728.93	3,376.29	3,065.60	–	–	–	–



**(h) Amounts Recognized in Other Comprehensive Income** Amount (₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(i)	Opening OC(Cumulative Unrecognised Losses/ (Gains)	(205.20)	494.51	–	–	–	–	–	–
(ii)	Actuarial (gain)/loss on DBO	(28.79)	(683.64)	(31.58)	306.28	136.10	40.07	(10.98)	66.89
(iii)	Actuarial (gain)/loss on Assets	(0.21)	(16.07)	28.98	7.29	–	–	–	–
(iv)	Amortization Actuarial (Loss/Gain)	–	–	–	–	–	–	–	–
(v)	Net increasing in OCI	(29.00)	(699.71)	(2.60)	313.57	136.10	40.07	(10.98)	66.89
(vi)	Amortization of Prior Service Cost	–	–	–	–	–	–	–	–
(vii)	Total Recognised in Other Comprehensive Income	(234.20)	(205.20)	–	–	–	–	(10.98)	66.89

**(i) Net Asset /Liability Recognised in Balance Sheet** Amount (₹ in Lakh)

S. No.	Particulars	Gratuity		Leave Encashment		Half Pay Leave		LTC	
		As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
(i)	Net Balance Sheet Asset/ (Liability) Recognised at beginning	(684.91)	(877.98)	(181.21)	(2.80)	(1,658.12)	(1,401.90)	(139.39)	59.50
(ii)	Amount Recognised in Accumulated OCI/loss at the beginning of the period	(205.20)	494.51	–	–	–	–	–	–
(iii)	(Accrued)/Prepaid benefit Cost (Before adjustment at the beginning of the period)	(890.11)	(383.47)	(181.21)	(2.80)	(1,658.12)	(1,401.90)	(139.39)	59.50
(iv)	Net Periodic Benefit(Cost)/ Income for the period	(463.52)	(1,281.92)	(390.95)	(710.52)	(185.24)	(261.24)	(15.86)	(88.54)
(v)	Employer Contribution	160.00	775.27	399.61	532.12	2.38	5.03	13.08	8.64
(vi)	(Accrued)/Prepaid benefit Cost (Before adjustment at the end of the period)	(1,193.63)	(890.12)	(172.55)	(181.20)	(1,840.99)	(1,658.12)		
(vii)	Amount Recognised in Accumulated Other Comprehensive Income/Loss at the end of the period	(234.19)	(205.20)	–	–	–	–	–	–
(viii)	Net Balance Sheet Asset/ (Liability) Recognised at the end of the period	(959.44)	(684.91)	(172.55)	(181.20)	(1,840.99)	(1,658.12)	(142.17)	(139.39)

**(j)** 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 Company has taken Group Leave Encashment Scheme from LIC for payment towards leave encashment.



(k) **Sensitivity Analysis**

Amount (₹ in Lakh)

	Change in assumptions	Effect on Gratuity obligation	Effect on Leave Encashment	Effect on Half Pay Leave	Effect on LTC
Discount Rate	Increase of 0.50%	-305.64	-272.76	-136.28	-2.34
	Decrease of 0.50%	341.20	304.39	151.77	2.37
Salary Growth Rate	Increase of 0.50%	137.68	296.11	147.65	2.38
	Decrease of 0.50%	-162.75	-268.39	-134.10	-2.35

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the statement of financial position.

**NOTE :- 43**

During the year 2018-19, the sharing with various Zonal Railways has been made in terms of Memorandum of Understanding, executed with the Ministry of Railways.

**NOTE :- 44 RELATED PARTY DISCLOSURES**

As per Ind AS - 24 'Related Party Disclosures', the names of the related parties are given below :-

Nature of Relationship	Name of the related Party
Joint Venture	Royale Indian Rail Tours Limited
Key Managerial Personnel	(i) Shri M.P. Mall, CMD (ii) Shri V. Sriram, Director (CS) (iii) Smt. Rajni Hasija, Director (T&M) (appointed w.e.f from 18.05.2018) (iv) Prashanth Kumar Balsavar (Nominee Director) (ceased from 25.05.2018) (v) Smita Rawat (Nominee Director) (vi) Shri Neeraj Sharma (Nominee Director) (appointed w.e.f 12.07.2018) (vii) Rabi Narayan Bohidar (Independent Director) (viii) Dheeraj Sharma (Independent Director) (ix) Kanak Aggarwal (Independent Director) (x) Prof Sachin Chaturvedi (Independent Director) (xi) Comal Ramchandran Sundaramurti (Independent Director) (xii) Sarita Deshpande (Independent Director) (xiii) Ajai Srivastava (CFO) (xiv) Suman Kalra (Company Secretary)



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

### Note :- 44.1 Transactions With Joint Venture

AMOUNT (₹ in Lakh)

Sr. No.	Particulars	31.03.2019	31.03.2018
(i)	Investments	250.00	250.00
(ii)	Impairment in value of investment	250.00	250.00
(iii)	Advance Lease Rent	1,741.50	1,741.50
(iv)	Lease Rent Receivable	269.08	269.08
(v)	Trade Payables	(1,471.71)	(1,471.71)

Impairment in value of 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 2011-12 to 2018-19 have not been finalized pending dispute with M/s Cox and Kings (India) Ltd.

### Note :- 44.2 Transactions With Key Managerial Personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

AMOUNT (₹ in Lakh)

Particulars	For the Year Ended 31 <sup>st</sup> March 2019	For the Year Ended 31 <sup>st</sup> March 2018
Short term benefits	275.34	259.58
Post-employment benefits	23.16	20.49
Other long-term benefits	—	—
	<b>298.50</b>	<b>280.07</b>

### Note :- 44.3 Transactions With The Government Related Entities

Apart from transactions reported above, the company has transactions with other Government related entities, which includes but not limited to the following:-

**Name of Government:** Government of India, through Ministry of Railway (Significant Influence over company)  
 Rail Vikas Nigam Limited (Controlled through Ministry of Railways)  
 National Informatics Centre Services Inc. (Controlled through Ministry of Railways)  
 CRIS (Controlled through Ministry of Railways)

### Certain significant Transactions:-

AMOUNT (₹ in Lakh)

S.No.		NATURE OF TRANSACTION	2018-19
1	CRIS	Purchase of assets and expenditure on maintenance and development for internet ticketing	1191.9
2	RAILWAYS	Income from Catering & Comprehensive Services provided Income from On Board Catering & Other Services- Rajdhani/Shatabdi/Premium Trains	51,613.15
3	RAILWAYS	Railway share on Licensee Catering Services	18,369.40
4	RAILWAYS	Railway share on Internet Ticketing Service Charges	2.93
5	RAILWAYS	Haulage charges on Maharaja Express Train	817.38
6	RAILWAYS	Reimbursement against Travel Insurance	4,700.00
7	RAILWAYS	Reimbursement against Service Charges for Internet Ticketing from Railway	8,800.00



### Other Disclosures:

\*Capital Advance of ₹ 780 Lakhs to RVNL for Construction of Flats & Land.

\*Capital Advance of ₹ 211.43 Lakhs to MOR for Construction of Flats & Land

\*Capital Advance of ₹ 653 Lakhs to AIR INDIALTD for 06 Flats purchase from AIR INDIALTD

\*In relation to the Internet Ticketing ₹ 39354.12 Lakh deposited with Min. of Railways (MOR).

These transactions are conducted in the ordinary course of the Company's business.

### NOTE :- 45 FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES

Company had formed a joint venture company with Cox & Kings Limited with 50-50 equal partnership in the name of Royal Indian Rail Tours India Limited (RIRTL), by virtue of joint venture agreement dated 10<sup>th</sup> December 2008. However due to issues between the equity partners, IRCTC terminated the agreement with Cox & Kings Limited as on 12<sup>th</sup> August 2011, and also withdrawn the train from RIRTL.

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, 2019 are not available in view of non-finalization of its accounts because of dispute between the parties, due to which the consolidation of Financial Statements as required under Ind AS 110 could not be done. These Financial Statements are the separate financial statements as per Ind AS.

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

### NOTE :- 46 IMPAIRMENT OF ASSETS

Corporation has made an assessment on 31<sup>st</sup> March, 2019 for any indication of impairment in the carrying amount of Corporation's Property Plant & Equipment's and Intangibles. On the basis of such assessment, in the opinion of the management no provision for the impairment of Property Plant & Equipment's of the Corporation is required to be made during the year. The management is of the opinion that the growing popularity of Maharaja Express shall enable the company to generate sufficient cash flows in the future years that fully substantiate the value in use of the train capitalized as fixed asset and hence no provision for impairment is required.

### NOTE :- 47

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 Ind AS - 18 "Revenue" 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 :- 48

### VALUE OF IMPORTS CALCULATED ON CIF BASIS BY THE COMPANY FOR YEAR 2018-19 IN RESPECT OF

Particulars	AMOUNT (₹ in Lakh)	
	2018-19	2017-18
Capital goods	NIL	1014.32

### NOTE :- 49 EXPENDITURE IN FOREIGN CURRENCY

Expenses	AMOUNT (₹ in Lakh)	
	2018-19	2017-18
Foreign Travelling Expenses Directors	19.27	7.4
Foreign Travelling Expenses-others	47.6	26.03
<b>Total</b>	<b>66.87</b>	<b>33.43</b>



### NOTE :- 50 EARNINGS IN FOREIGN EXCHANGE

AMOUNT (₹ in Lakh)

Particulars	2018-19	2017-18
Other Income	3354.32	3758.59

### NOTE :- 51 LEASES

#### (i) Operating Lease

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 ₹ 1224.33 Lakhs (previous year ₹ 2499.61 lakhs).

#### (ii) Finance Lease

The Company has acquired leasehold lands at various locations for the purpose of setting up Railneer Plants for lease period of 90/99 years. The total capitalized value as on 31<sup>st</sup> March, 2019 is ₹ 1631.58 lakhs (previous year ₹ 1508.60 lakhs).

### NOTE :- 52 DUTY CREDIT LICENSE

During F.Y. 2018-19, the duty credit license has been utilized / redeemed for an amount of ₹ 98.84 lakh (previous year ₹ 139.96 lakh) against payment of duty under "Served from India Scheme".

### NOTE :- 53 CSR EXPENDITURE

(a) Gross amount required to be spent by the Company during the year is ₹ 688.29 lakh.

(b) Details of amount spent during the year :-

AMOUNT (₹ in Lakh)

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Expenditure on Swacch Bharat Kosh	168.10	—	168.10
(ii)	Expenditure on Namami Gange Kosh	168.10	—	168.10
(iii)	Expenditure on Education and Health Care	113.31	—	113.31
(iv)	Expenditure on Sanitation, Social Empowerment & Environment	137.65	—	137.65
(v)	Others	101.13	—	101.13
	<b>Total</b>	<b>688.30</b>	<b>—</b>	<b>688.30</b>

### NOTE :- 54 PRIOR PERIOD ITEMS

54.1 Prior Period Transactions are as follows:

AMOUNT (₹ in Lakh)

Nature	2018-19
Income from License Fee	657.21
Income from License Fee-Food Plaza	(39.79)
Scrap Sale-Rail Neer	(21.21)
Income from Duty credit licence under "Served from India Scheme"	(240.44)
Income from Advertisement/SBI CO-Branded Cards & Loyalty Cards	6.81
Travel and Tour Revenue	(418.74)
Income from sale of Rail Neer	114.48
Business Development/Marketing Exp.	(28.37)
Travel & Tour Expenses	(11.00)
Expenses of Catering Services	(277.38)
Expenses of Tourism	(49.20)
Travel & Tour revenue	73.53
<b>Total</b>	<b>(234.09)</b>





### 54.2 Correction of Prior Period transactions with impact on profit.

#### 54.2.1 Impact on Balance Sheet Items is as follows:

AMOUNT (₹ in Lakh)

Line Items	Impact on 2017-18	Prior to 1 <sup>st</sup> April 2017	Total
Current Trade Receivable	298.76	73.53	372.29
Other Current Asset Duty Credit License	(240.44)	—	(240.44)
<b>Total Assets</b>	<b>58.32</b>	<b>73.53</b>	<b>131.85</b>
Current Trade Payable	—	39.37	39.37
Other Financial Liabilities	308.69	17.89	326.58
<b>Total Liability</b>	<b>308.69</b>	<b>57.26</b>	<b>365.95</b>
<b>Net Assets (Equity)</b>	<b>-250.37</b>	<b>16.27</b>	<b>(234.09)</b>

#### 54.2.2 Impact on Statement of Profit and Loss

AMOUNT (₹ in Lakh)

Nature	1017-18
Income from License Fee	657.21
Income from License Fee-Food Plaza	(39.79)
Scrap Sale—Rail Neer	(21.21)
Income from Duty credit licence under “Served from India Scheme”	(240.44)
Income from Advertisement/SBI CO-Branded Cards & Loyalty Cards	6.81
Travel and Tour Revenue	(418.74)
Income from sale of Rail Neer	114.48
<b>Total Revenue</b>	<b>58.32</b>
Expenses of Tourism	45.23
Expenses of Catering Services	263.46
<b>Total Expenses</b>	<b>308.69</b>
<b>Profit before Tax</b>	<b>(250.37)</b>

#### 54.2.3 Impact of Prior Period Errors in Earning Per Share (Basic & Diluted):

AMOUNT (₹ in Lakh)

Year	2018-19	2017-18
Impact on Profit attributable to Equity Share Holders (Rs. in Lakhs)	234.09	(250.37)
Weighted average nos. of Equity Shares (In Lakhs)	1,600.00	1,600.00
Impact on Earnings Per Share (Basic & Diluted)	0.15	-0.16

#### NOTE :- 55 CASH & CASH EQUIVALENTS

IRCTC has availed overdraft facility for ₹ 10,000 Lakhs from State Bank of India against fixed deposit of ₹11,200 Lakhs. The OD facility shall be availed @ 0.25% higher than the interest rate on fixed deposit for the period for which OD is being availed. Fixed deposits to that extent are under lien.

#### NOTE :- 56 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. 27, 28 & 29.

#### NOTE :- 57 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.



- ₹ 438 Lakhs to RVNL for type V/type VI Flats near Safdarjung Railway Station New Delhi in the FY 2018-19.
- ₹ 653 Lakhs to AIR INDIA LTD for 06 Flats purchase from AIR INDIA LTD

### Note :- 58

#### A REIMBURSEMENT AGAINST SERVICE CHARGES FOR INTERNET TICKETING FROM RAILWAY

The Government of India through Ministry of Railways, in the public interest has waived off the service charges charged by IRCTC from passengers for booking of online train tickets. Therefore, the IRCTC is not charging any amount towards the service charges from the passengers. The IRCTC is incurring operating expenses such as up gradation and maintenance cost of server, manpower deputed to maintain the server and other incidental cost. The IRCTC has sent the detail of expenditure incurred by it to the Ministry of Railways and the Ministry has sanctioned a sum of ₹ 88 Crores towards the operating cost incurred by IRCTC for providing e-ticketing facilities to the passengers.

#### B REIMBURSEMENT AGAINST TRAVEL INSURANCE FROM RAILWAY

The Government of India through Ministry of Railways, in the public interest had waived off the insurance charges charged by IRCTC from passengers for insurance service up to 31<sup>st</sup> August, 2018. For this period Railways has reimbursed amount of ₹ 47 Crore towards the operating cost incurred by IRCTC for providing insurance facilities to the passengers.

### NOTE :- 59

Company had received ₹ 12 Cr from Ministry of Tourism for Manufacturing of 3 Class Coaches on cost to cost basis out of which balance of ₹ 1.21 Crore is refundable to MOT.

### NOTE :- 60 SEGMENT REPORTING

The CODM & Manager for corporate planning examines the business performance on the basis of the nature of the services rendered by the company, organization structure & internal reporting system and has identified five reportable segments of its business as follows.

- Catering
- Railneer
- Tourism
- State Teertha
- Internet Ticketing.

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

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

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

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



### Segment Reporting for the year ended on 31<sup>st</sup> March 2019

AMOUNT (₹ in lakh)

Particulars	Catering		Railneer		Internet Ticketing		Tourism		State Teertha		Elimination		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue														
Income	102,978.46	45,608.92	680.98	437.41	23,905.39	20,432.13	25,273.58	18,634.46	19,457.49	21,059.00			172,295.89	106,171.92
Sales( Excluding sales tax)	3,532.18	27,315.19	17,348.07	16,253.58									20,880.25	43,568.77
Inter-Segment Sales			1,556.00	1,331.01							(1,556.00)	(1,331.01)	-	-
Rail Yatri Nivas and Railway Hotels							530.99	301.52					530.99	301.52
Sales/Income( Bedroll & Cleaning)	-	-							-	-			-	-
Total Revenue	106,510.64	72,924.11	18,029.05	16,690.99	23,905.39	20,425.32	25,804.57	18,935.98	19,457.49	21,059.00	-	-	193,707.13	150,042.21
Segment Results	19,108.06	12,568.11	3,346.91	3,342.64	16,300.15	10,079.71	2,862.86	(1,226.25)	4,915.89	4,753.01	-	-	46,533.87	29,617.30
Unallocated Corporate Income													-	-
Unallocated Corporate Expenses													-	-
Operating Profit	19,108.06	12,568.11	3,346.91	3,342.64	16,300.15	10,079.71	2,862.86	(1,226.25)	4,915.89	4,753.01	-	-	46,533.87	29,617.30
Interest and other Income			-	-									5,725.46	4,957.01
Income Taxes													17,013.62	12,164.77
Profit from Ordinary Activities	19,108.06	12,568.11	3,346.91	3,342.64	16,300.15	10,079.71	2,862.86	(1,226.25)	4,915.89	4,753.01	-	-	35,245.70	22,409.54
Prior Period Income(-)/Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad & Doubtful Debts written off or provided	4,356.04	-	0.61	3.13	171.54	-	83.97	-	-	-	-	-	4,612.16	3.13
(Profit)/loss on sale of assets	13.15	13.18	6.13	1.48	(5.96)	21.36	1.23	4.63			-	-	14.54	40.65
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit	14,738.87	12,554.93	3,340.17	3,338.03	16,134.57	10,058.35	2,777.66	(1,230.87)	4,915.89	4,753.01	-	-	30,619.00	22,365.76
Other Information														
Segment Assets	22,287.19	19,893.18	12,907.07	11,520.64	197,147.56	175,970.61	8,549.19	7,630.87	-	-	-	-	240,891.02	215,015.29
Unallocable Corporate Assets													8,770.70	7,828.58
Total Assets	22,287.19	19,893.18	12,907.07	11,520.64	197,147.56	175,970.61	8,549.19	7,630.87	-	-	-	-	249,661.72	222,843.87
Segment Liabilities	67,187.57	60,811.32	3,725.78	3,372.19	64,071.05	57,990.57	6,084.24	5,506.83	-	-	-	-	141,068.64	127,680.93
Unallocable Corporate Liabilities													8,200.28	7,422.05
Total Liabilities	67,187.57	60,811.32	3,725.78	3,372.19	64,071.05	57,990.57	6,084.24	5,506.83	-	-	-	-	149,268.92	135,102.98
Capital Expenditure	133.31	251.83	174.17	261.83	357.45	1,168.84	1,490.69	390.82	-	-	-	-	2,155.62	2,073.32
Unallocable Corporate Expenditure													-	-
Total Capital Expenditure	133.31	251.83	174.17	261.83	357.45	1,168.84	1,490.69	390.82	-	-	-	-	2,155.62	2,073.32
Depreciation	247.74	189.81	1,037.24	297.96	1,183.88	1,491.04	395.09	387.29	-	-	-	-	2,863.95	2,366.11
Unallocable Corporate Depreciation													-	-
Total Depreciation.	247.74	189.81	1,037.24	297.96	1,183.88	1,491.04	395.09	387.29	-	-	-	-	2,863.95	2,366.11

Note: 1. IRCTC is mandated to carry out unbundling by creating a distinction primarily between food preparation and food distribution, thus Departmental and Licencee Segments has been combined. (Catering includes Departmental ,Non-Railway Catering & Licensee Catering )

- Inter-segment sales are not taken into total revenue.
- Previous year figures have been re-arranged /regrouped and re-casted, where ever necessary to make them comparable with the current year figures.



### NOTES :- 61 DISCLOSURE UNDER IND AS-115 ON REVENUE FROM CONTRACTS WITH CUSTOMERS

#### a) Disaggregation of revenue

- (i) Below is the disaggregation of the Company's revenue from contracts with customers: Type of Products and Service Wise

AMOUNT (₹ in Lakh)

Type of Goods or Service	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Sale of Products	20,720.74	43,538.48
<b>Sale of Service-</b>		
i) Internet Ticketing	23,149.88	19,661.25
ii) Income From Catering Services	51,613.15	16,782.74
iii) Income from Concession Fee, License Fee etc.	47,248.94	27,293.81
iv) Tourism	43,931.35	39,709.07
v) Other Operating Income	159.51	131.38
<b>Total</b>	<b>186,823.57</b>	<b>147,116.73</b>

- (ii) Below is the disaggregation of the Company's revenue from contracts with customers: Segment Wise

AMOUNT (₹ in Lakh)

Segment Wise	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018
Catering	106,510.64	72,924.11
Railneer	18,029.05	16,690.99
Internet Ticketing	23,905.39	20,425.32
Tourism	25,804.57	18,935.98
State Teerath	19,457.49	21,059.00
<b>Total</b>	<b>193,707.13</b>	<b>150,035.40</b>

- (b) Revenue from segment reporting is ₹ 1,93,707.05 Lakhs (₹ 1,49,942.13 Lakhs in F.Y 17-18).
- (c) The Company has applied modified retrospective approach for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is ₹ 514.24/- lakhs on retained earnings as at April 1, 2018.

Particulars	Amount (₹ in Lakh)
Retained Earnings As on 01-04-2018	48,545.16
Less: Impact due to Ind AS-115	-514.24
Restated Retained Earnings as on 01-04-2018	48,030.92

Integration Charges payable by the Principal Service Provider to IRCTC for registration and integration with IRCTC for reserved rail e-ticketing service has been recognized over the contractual period in which the parties to the contract have present enforceable rights and obligations.

#### (d) Contract balances

AMOUNT (₹ in Lakh)

	March 31, 2019	March 31, 2018
Trade receivables (Note 10.1)	58,173.44	55,092.40
Contract assets	—	—
Contract liabilities (Note 19)	19,150.60	21,566.63

- (i) Trade receivables are non-interest bearing and the customer profile include Ministry of Railways, public sector enterprises etc. The Company's average project execution cycle is upto 12 months.



- (ii) Contract assets is recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Particulars	March 31, 2019	March 31, 2018
Contract Asset at the beginning of the year	—	—
Contract Asset at the end of the year	—	—

\* Increase in Contract Liability is due to Advance received from Customers related to Unexpired concession fee, Unexpired License fee, Unexpired User Charges, Unexpired Integration Charges & advances against the package tours.

- (iii) Contract liabilities represents the amount received as advance from Customers related to Unexpired concession fee, Unexpired License fee, Unexpired User Charges, Unexpired Integration Charges & advances against the package tours.

AMOUNT (₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Contract Liabilities at the beginning of the year	21,566.63	—
Contract Liabilities at the end of the year*	19,150.60	21,566.63

\* Increase in Contract Liability is due to Advance received from Customers related to Unexpired concession fee, Unexpired License fee, Unexpired User Charges, Unexpired Integration Charges & advances against the package tours.

### NOTES :- 62 CAPITAL MANAGEMENT

The company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum returns to share holders and benefit to other stake holders. Company does not have any borrowings as at 31<sup>st</sup> March 2019.

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. No changes were made in the objectives, policies or processes of managing capital during the year ended 31<sup>st</sup> March 2019.

### NOTE :- 63 FAIR VALUE MEASUREMENTS

- (i) Financial Instruments by Category

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019			As at 31 <sup>st</sup> March 2018		
	FVTPL*	FVTOCI**	Amortized Cost	FVTPL*	FVTOCI**	Amortized Cost
<b>Financial Assets</b>						
(i) Investment	—	—	0.32	—		0.32
(ii) Security Deposits	—	—	1,074.32	—		1,104.50
(iii) Trade Receivables	—	—	58,173.44	—		54,720.11
(iv) Cash and Cash Equivalents	—	—	46,006.95	—		49,315.89
(v) Bank Balances other than Cash & Cash Equivalents	—	—	67,996.60	—		34,071.36
(vi) Others	—	—	3,481.06	—		1,803.19
	—	—	<b>176,732.69</b>	—		<b>141,015.37</b>
<b>Total Financial Assets</b>						
<b>Financial Liabilities</b>						
(i) Security Deposits	—	—	14,950.35	—		12,917.03
(ii) Trade payables	—	—	19,092.24	—		15,043.24
(iii) Others	—	—	47,264.81	—		39,448.55
<b>Total Financial Liabilities</b>	—	—	<b>81,307.40</b>	—		<b>67,408.82</b>

\*Fair Value through Profit & Loss

\*\*Fair value through Other Comprehensive Income



(ii) Assets and liabilities which are measured at amortized cost for which fair values are disclosed.

AMOUNT (₹ in Lakh)

Particulars	As at 31 <sup>st</sup> March 2019		As at 31 <sup>st</sup> March 2018	
	Carrying Value	Fair value	Carrying Value	Fair value
<b>Financial Assets</b>				
Security Deposit	1,074.32	1,109.13	1,104.50	1,162.78
<b>Total Financial Assets</b>	<b>1,074.32</b>	<b>1,109.13</b>	<b>1,104.50</b>	<b>1,162.78</b>
<b>Financial Liabilities</b>				
Security Deposit	14,950.35	15,030.61	12,917.03	10,985.68
<b>Total Financial Liabilities</b>	<b>14,950.35</b>	<b>15,030.61</b>	<b>12,917.03</b>	<b>10,985.68</b>

- The carrying amounts of trade receivables, trade payables, Short term Security Deposit, cash and cash equivalents and other short term receivables and other payables are considered to be same as their fair values, due to short term nature.
- The fair value of long term security deposits were calculated on the cash flows discounted using current market rate of fixed deposits. They are classified as level-3 of fair values hierarchy due to inclusion of unobservable inputs.

### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis and at amortised cost.

### Quantitative disclosures fair value measurement hierarchy for financial assets as on 31<sup>st</sup> March 2019:-

Amount (₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at Amortised Cost for which fair value are disclosed:</b>				
Security Deposit	–	–	1,109.13	1,109.13
	–	–	1,109.13	1,109.13

### Quantitative disclosures fair value measurement hierarchy for financial liabilities as on 31<sup>st</sup> March 2019:-

Amount (₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at Amortised Cost for which fair value are disclosed:</b>				
Security Deposit	–	–	15,030.61	15,030.61
	–	–	15,030.61	15,030.61

### Quantitative disclosures fair value measurement hierarchy for financial assets as on 31<sup>st</sup> March 2018 :-

Amount (₹ in Lakh)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at Amortised Cost for which fair value are disclosed:</b>				
Security Deposit	–	–	1,162.78	1,162.78
	–	–	1,162.78	1,162.78





### Quantitative disclosures fair value measurement hierarchy for financial liabilities as on 31<sup>st</sup> March 2018:–

Particulars	Amount (₹ in Lakh)			
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at Amortised Cost for which fair value are disclosed:</b>				
Security Deposit	–	–	10,985.68	10,985.68
	–	–	10,985.68	10,985.68

### NOTE :- 64 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarized below:-

#### a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk and foreign currency risk. Financial instruments affected by market risk includes loans and borrowing, deposits and other non derivative financial instruments.

##### i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes deposits with banks. Interest rate risk on these financial instruments are very low as interest rate is for the period of financial instruments.

##### ii) Foreign Currency Risk

The company operated internationally and is exposed to foreign currency risk arising form foreign currency transactions. Company does not hedge any foreign currency risk.

#### b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The company is exposed to credit risk from its financial activities including trade receivable, deposits with banks, financial institutions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### c) Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus are made only with approved with counterparty on the basis of the financial quotes received from the counterparty

#### d) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring , as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the company's reputation.



### NOTE :- 65 ALLOWANCES FOR EXPECTED CREDIT LOSS

Amount (₹ in Lakh)

Particulars		Upto 3 year	More than 3 less than 5	More than 5 years	Defaulted
Govt.	Gross carrying amount	24,640.83	1,552.81	2,476.28	3,215.13
	Expected credit rate	0%	0%	50%	100%
	Expected credit losses (Loss provision Allowance)	–	–	1,238.14	3,215.13
	Gross carrying amount of trade receivables	24,640.83	1,552.81	1,238.14	–
Non-Govt.	Gross carrying amount	29,459.01	188.99	2,281.84	2,809.20
	Expected credit rate	0%	25%	50%	100%
	Expected credit losses (Loss provision Allowance)	–	47.25	1,140.92	2,809.20
	Gross carrying amount of trade receivables	29,459.01	141.74	1,140.92	–

### NOTE :- 66 ESTIMATES AND ASSUMPTIONS

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

#### a) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities are measured using the valuation techniques including DCF model. The inputs to these methods are taken from observable markets where possible, but where this it is not feasible, a degree of judgement is required in arriving at fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### b) Taxes

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which losses can be utilized significant management judgement is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

#### c) Defined benefit Obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### d) Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment is as given in the note no 2(n). Estimated useful lives of property, plant and equipment are based on number of factors including the effects of obsolescence, demand, competition, and other economic factors. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

The company was charging the depreciation on its Plant and Machinery of Railneer plants considering the useful life of Plant and Machinery as 25 years as per Schedule II of the Companies Act 2013 treating those as continuous process plant. The company reviewed the useful life of these fixed assets and carried out a technical valuation for the same. Considering the outcome of technical valuation, the company has changed the useful life of these assets and accordingly changed the depreciation for financial year 2018-19 as per the new useful life of the plant and machinery.



### NOTE :- 67 PROCUREMENT FROM MICRO SMALL AND MEDIUM ENTERPRISES (MSMES)

Details of dues to micro, small and medium enterprises as defined under the micro and Small Enterprise Development Act, 2006 are given on the basis of information available with the management:-

AMOUNT (₹ in Lakh)

S.No	Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
a	Principal amount and interest thereon remaining unpaid at the end of year Interest paid including payment made beyond appointed day	—	86.15
b	Interest due and payable for delay during the year	—	8.22
c	Amount of interest accrued and unpaid as at year end	—	17.02
d	The amount of further interest due and payable even in the succeeding year	—	—

### NOTE :- 68 TICKET DEPOSIT RECEIPT REFUND (TDR) CASES

The TDR refund is made by the Company to the passengers after receipt of the same from Indian Railway. As on 31<sup>st</sup> March 2019, number of cases pending were 33614 with value of ₹ 366.97 lakhs.

### NOTE :- 69 RAILNEER PLANTS ON PPP MODEL

The company has decided to set up 11 nos. Of Railneer Plants at various locations at PPP model. Out of 11, two plants located at Amethi (U.P.) and Parasala (Kerala) are already in operation and other 9 Railneer plants will start in coming years. For these plants, a capital support will be provided by the Corporation to the contractors as per the contract agreement with the respective plant operators.

### NOTE :- 70

The company has incurred Total Capital Expenditure of ₹ 6554.77 lakhs including CWIP and Capital Advance (Refer Note No 3,4,5A and 8) .( previous year ₹5861.96 lakhs).

### NOTE :- 71

The company does not foresee any financial liability with regards to the CBI Enquiry against the Ex-Railway Minister involving the Ex-Senior Official of IRCTC as per reports in the media.

### Note :- 72

Pending Reconciliation the GST Payable and Credit of GST have been shown separately under Note-19 and Note-12 respectively.

### Note :- 73

The employee advances are paid to avoid genuine employee hardships to meet official expenses. The expenses are reimbursed to the employees separately subsequently. Accordingly although the advance are non-refundable until employment the same have not be discounted and deemed as current in nature.

### Note :- 74

IRCTC has entered into in agreement with private parties “the operator” wherein operator is responsible for Set Up (Building & Plant Machinery), Operation and Maintenance of water treatment Plant on the land owned by IRCTC against consideration for procurement of Rail Neer, CFA and Transportation services by IRCTC. Terms of agreement provides that at the end of contract period the commissioned assets at plant along with building shall be transferred to IRCTC. That since the contract for such O & M Contractor is tendered and selection is made based on commercial bids,in absence of sufficient information to ascertain the additional consideration towards cost of building and plant and conservative approach assets has not been recognized. Accordingly such assets shall be accounted for in the books of accounts based on technical assessment at the time of takeover.

### Note :- 75

That Licensee Fee as per Note No 27, includes contingent provision of 25 % Railway Share ( 15% as per Circular 36/2015 ) against license fee received on Water Vending Machines, pending clarification from the railway board under the Catering Policy 2017.

### NOTE :- 76 APPROVAL OF FINANCIAL STATEMENT

The financial statements were approved for issue by the Board of Directors on 26<sup>th</sup> July 2019.



**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, 2019.**

The preparation of financial statements of **INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**, for the period ended 31<sup>st</sup> March, 2019 on 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 26<sup>th</sup> July, 2019

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED** for the period ended 31<sup>st</sup> March, 2019 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-

**(B.R. Mondal)**

Principal Director of Audit  
Railway Commercial, New Delhi

Place : New Delhi  
Date : 19<sup>th</sup> August, 2019















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

(A Govt. of India Enterprise—Mini Ratna Category-I)

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