

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

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



इंडियन रेलवे कंटेरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड



भारतीय रेलवे पर स्थापित फूड प्लाजा
Food Plaza over Indian Railways

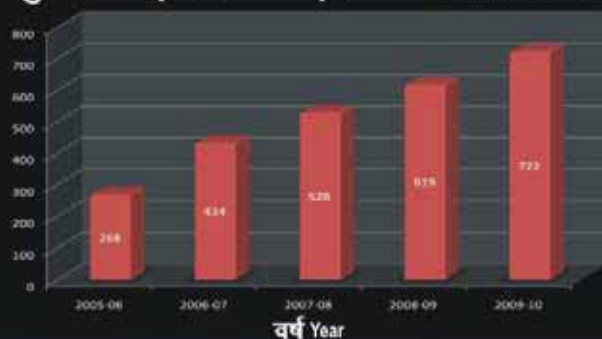
The screenshot displays the Rail Tourism India website interface. At the top, there's a navigation bar with links like 'Home', 'Rail Tour Packages', 'Flights', 'Hotels', 'Tourist Trains', 'Holiday Packages', 'Cabs', and 'Train Tickets'. A search bar is also present. The main content area features several promotional banners: 'Get unlimited CashBack' with offers up to 17% on hotel bookings and 14% on rail tour packages; 'Buddhist Circuit Special Train' with a 'Book Now' button; and 'Holiday Packages' starting at Rs. 2999. A sidebar on the left lists 'IRCTC Best Sellers' with details for Bangalore-Kochi, Chennai-Kanyakumari, and Secunderabad-Shirdi packages. At the bottom, there's a footer with copyright information, registration/login links, and logos for IRCTC, BroadVision, VeriSign, Mastercard, Winco, Incredible India, and the Government of India.

आईआरसीटीसी टूरिज्म वेबसाइट : www.railtourismindia.com

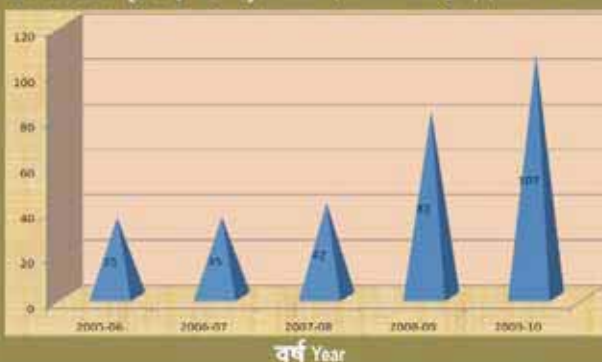
IRCTC Tourism Website : www.railtourismindia.com

एक ही स्थान पर आपकी यात्रा का समाधान
Your one Stop Travel Shop.

कुल आय (करोड़ रु. में) Total Income (Rs. in Crore)



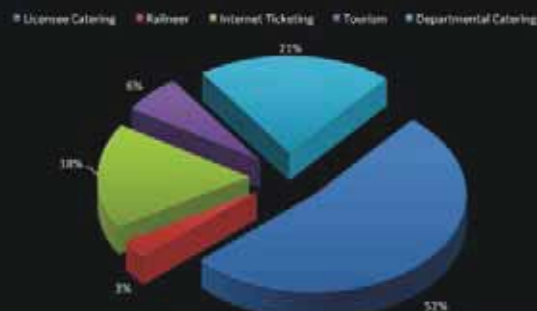
सकल लाभ (करोड़ रु. में) PBDIT (Gross Margin) (Rs. in Crore)



शुद्ध लाभ (कर के बाद लाभ) (करोड़ रु. में) Net Profit (Profit after Tax) (Rs. in Crores)



कुल आय का वितरण सभी व्यापार खण्डों में – 2009-10 Distribution of Total Income Across Business Segments-2009-10





इंडियन रेलवे कंटेनिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड

निदेशक बोर्ड Board of Directors



श्री विवेक सहाय
अध्यक्ष
Shri Vivek Sahai
Chairman



श्री राकेश कुमार टंडन
प्रबंध निदेशक
Shri Rakesh Kumar Tandon
Managing Director



डॉ. नलिन शिंघल
निदेशक (पर्यटन एवं विपणन)
Dr. Nalin Shinghal
Director (Tourism & Marketing)



श्री विनोद अस्थाना
निदेशक (खानपान सेवाएं)
Shri Vinod Asthana
Director (Catering Services)



श्री विश्व रंजन गुप्त
निदेशक (वित्त)
Shri Vishwa Ranjan Gupta
Director (Finance)



श्री नरेश सलेचा
सरकारी निदेशक
Shri Naresh Salecha
Government Director



श्रीमती मनी आनन्द
सरकारी निदेशक
Smt. Mani Anand
Government Director



श्री जगदीप एस. छोकर
स्वतंत्र निदेशक
Shri Jagdeep S. Chhokar
Independent Director



श्री आलोक शिवपुरी
स्वतंत्र निदेशक
Shri Alok Shivapuri
Independent Director



श्री आर. एन. भारद्वाज
स्वतंत्र निदेशक
Shri R. N. Bhardwaj
Independent Director



श्री आर. के. अग्रवाल
स्वतंत्र निदेशक
Shri R. K. Agrawal
Independent Director

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

Corporate office : 9th Floor, Bank of Baroda Building,
16 Parliament Street, New Delhi-110001.
Tel.: 011-23311263-64 (EPBX), Fax: 011-23311259



ANNUAL REPORT 2009-2010

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

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

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Indian Railway Catering and Tourism Corporation Ltd.

Board of Directors:

Chairman

Shri Vivek Sahai,
Chairman Railway Board and Member Traffic

Managing Director

Shri Rakesh Kumar Tandon,

Functional Directors

Dr. Nalin Shinghal,
Director (Tourism & Marketing)

Shri Vinod Asthana,
Director(Catering Services)

Shri V.R. Gupta,
Director(Finance)

Government Directors

Smt. Mani Anand
Executive Director(T&C),
Railway Board,
Ministry of Railways

Shri Naresh Salecha
Executive Director(FC),
Railway Board,
Ministry of Railways

Independent Directors

Shri Jagdeep S. Chhokar

Shri Alok Shivapuri

Shri R.N. Bhardwaj

Shri R.K. Agrawal

Bankers:

1. HDFC Bank Limited
2. ICICI Bank Limited
3. Bank of Baroda
4. Punjab National Bank
5. State Bank of India & its subsidiaries
6. Corporation Bank
7. Oriental Bank of Commerce
8. Syndicate Bank
9. Canara Bank
10. Bank of India
11. Union Bank of India
12. Andhra Bank
13. Indian Bank
14. IDBI Bank
15. Citi Bank
16. Axis Bank Limited
17. Standard Chartered
18. Bank of Rajasthan
19. Yes Bank

Registered and Corporate Office:

9th Floor, Bank of Baroda Building,
16 Parliament Street, New Delhi-110 001.

Part Portion of Corporate Office

2nd and 5th Floor, STC Building,
Jawahar Vyapar Bhawan,
1 Tolstoy Marg, New Delhi - 110001

Internet Ticketing Office:

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

Railneer Plant, Nangloi:

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

Railneer Plant, Danapur:

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

Audit Committee:

Chairman

Shri R.N. Bhardwaj,

Members

Shri Vinod Asthana,

Shri Jagdeep S. Chhokar

Shri Alok Shivapuri

Shri R.K. Agrawal

Company Secretary:

Shri Rakesh Gogia

Statutory Auditors:

M/S S.P. Marwaha & Co.,
Chartered Accountants,
New Delhi.

Zonal Offices:

North Zone :

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

East Zone – I & II:

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

West Zone :

2nd Floor,
New Administrative Building,
Central Railway, CST,
Mumbai-400 001.

South Zone :

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

South Central Zone :

2nd Floor, Am Sri Classic Complex,
Sarojini Devi Road,
Secunderabad-500 071

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

Eleventh Annual General Meeting

Chairman's Speech

Dear Shareholders of IRCTC,

I feel delighted in extending my warm greetings and welcome to all of you to the Eleventh Annual General Meeting of the Corporation.

Your Corporation has posted impressive operational and financial numbers during the year 2009-10. The total income of the Corporation reached ₹ 721.97 Crore registering an increase of 16.68 per cent over previous year and it made a contribution of ₹ 82.28 Crore to the Railways revenues, which was an increase of 7.50 % over the previous year. The Corporation earned a net profit of ₹ 63.05 Crore, indicating an increase of 35.6 per cent over the previous year. It recommended a dividend of ₹ 12.61 Crore, again indicating an increase of 35.5 per cent. The dividend payout is 63.05 per cent on the Equity Share Capital.

The Corporation realized 85 % payment of the current bills from its customers indicating sound commercial performance. The total outstanding at the end of the year was ₹ 232 Crore out of which ₹ 144 Crore was to come from the Railways.

The Corporation has a nationwide presence spread over 1008 stations of the Indian Railways and 350 pair of trains. It has provided catering in 18 numbers of additional new trains that got introduced during 2009-10 and for the first time there has been a paradigm shift in providing mandatory catering in non-AC sleeper coaches of Duronto Trains as against the earlier provision in the AC coaches of Rajdhani and Shatabdi Trains. During the year 2009-10, 9 new Duronto trains have been introduced. In the premium food segment IRCTC commissioned 13 new Food Plazas / Fast Food units during the year and taking the number to 78 and also commissioned 25 Jan Ahaar outlets for sale of low priced wholesome food and regional cuisines for not so affluent travelling passengers.

During the year, the Ministry of Railways started the process of review of Catering Policy and recently, on 21st July, 2010, the Ministry of Railways has issued the New Catering Policy, 2010. The revised policy has laid down that all catering services other than Food Plazas and fast food units would be managed by Zonal Railways. With the new challenges come greater opportunities.

IRCTC has a tremendous potential for growth in tourism and it would aim to expand its business to become a major tourism player in the country. Also the premier catering segment on Railways would be expanded apart from the industrial and institutional catering business to enlarge its activities and sustain its revenues.

Two Plants of Railneer Packaged Drinking water are being operated by IRCTC at Nangloi (Delhi) and Danapur (Bihar). During the year, the production of Railneer at Nangloi and Danapur was 3.19 Crore and 2.23 Crore bottles respectively as against installed capacity of 3.34 Crore and 2.45 Crore bottles respectively. During the year, the capacity of Danapur Plant was increased from 5,500 Cartons per day to 8,500 Cartons per day.

Two new plants at Palur and Ambarnath are in the process of setting up by IRCTC. The construction of Railneer Plant at Palur (Tamil Nadu) is in advance stage and likely to be commissioned soon. The plan for Ambarnath plant has been finalized and the tender process is likely to start in a few months.

The Corporation continued to provide greater customer focus with improved methods of feedback and customer complaints management and has shown continued improvement in food and safety audit ratings as well as customers satisfaction surveys conducted by independent 3rd parties. The majority ratings have been above 80 %, it has also made progress in ISO certification and HACCP certification.



Indian Railway Catering and Tourism Corporation Ltd.

During the year, the Corporation's Tourism activities increased manifold. The numbers of tourist have gone up by 35 %. The train / coach charters have gone up by 55 %. The number of Bharat Darshan Trains has been increased by 30 % and Hill charters increased by 44 %. The Corporation has successfully tied up with Kendriya Vidyalaya for undertaking students' educational trips under its "Travel to learn schemes as well as with Tamil Nadu Government under Sarv Shiksha Abhiyan". At the top end, it has successfully launched its super luxury tourist train – "The Maharajas' Express". The train has also been voted as best Luxury Tourist Train in the country.

In recognition of the excellent performance of the Corporation in various fields, the following awards have been conferred on IRCTC during the year:

- Rated 'Excellent' for MOU Evaluation for the year 2008-09 by Department of Public Enterprises.
- CNBC Awaaz-Travel Awards –The Special Commendation for Redefining Indian Railways Award – 2009 for E-ticketing by Ms. Selja, Hon'ble Minister of Tourism.
- PC Quest awarded the Excellence Award for Most Innovative Project in 2009 for 139-Rail Sampark.
- *QCI DL Shah National Award on Economics of Quality* – "QCI - D. L. Shah National Award for our initiatives on food safety and Economics of Quality" by Quality Council of India by Dr. Masaki Imai, Quality Guru of Japan.
- The Grand Jury of the mBillionth Award South Asia for the year 2010 – Certificate of Recognition SMS 139 Railway Enquiry.
- ICWAI National Quality Award for Excellence in Cost Management – 2009: First Prize under public service sector medium category by Shri Salman Khurshid, Hon'ble Minister of State for Corporate Affairs.
- CNBC Awaaz Travel Award 2010 for the 'Maharajas' Express-The Best Luxury Train' from Hon'ble Union Minister for Tourism, Kumari Selja.
- The India Pride Award-Gold from Shri Pranab Mukherjee, Hon'ble Union Minister of Finance for Internet Ticketing.
- The SKOCH's-The World Open Award for Integrated Train Enquiry System (ITES) from the Controller of Certifying Authority, Government of India.

The Corporation's e-ticketing website www.irctc.co.in continued to be voted as one of the most popular websites with more than a Crore hits per day. Its internet ticketing in terms number of passengers has grown by more than 60 % and in terms of value of tickets it has grown by more than 50 %. It touched a high of 3 lakh 7 thousand tickets booked in a day and on an average during March, 2010 it sold more than 2 lakh 50 thousands tickets per day.

The integrated train enquiry system has won several awards and has handled more than 7 lakh calls per day. It has successfully launched the SMS service for providing the train running and PNR information and handled over one crore SMS in 2009 - 10.

The Comptroller and Auditor General of India has conducted the supplementary audit on audited accounts of the Corporation for the year ended 31st March, 2010 under Section 619(4) of Companies Act, 1956 and has offered NIL Comments on the same.

IRCTC has been complying with the requirements of Corporate Governance as stipulated by the Department of Public Enterprises (DPE), Government of India.

I, on my behalf and on behalf of the Board of Directors of the Corporation, place on record the valuable guidance and services rendered by the outgoing, Chairman, Shri Shri Prakash and Part-time Official

Directors, Shri Ashok Kumar and Shri Sunil Mathur; I would also like to welcome our newly appointed Director Smt. Mani Anand, on the Board of the Corporation.

Before I conclude, I would like to express my sincere gratitude to the Shareholders for the confidence reposed in the Corporation. I also wish to express my gratitude to the Government of India, Ministry of Railways, Ministry of Tourism and Zonal Railways for their valuable guidance and support.

Last but not the least; I would like to place on record my sincere appreciation for the commitment, involvement and dedication exhibited by the staff as well as our associated agencies in the overall development and growth of the Corporation.

I would further like to reiterate that with the commitment, dedication and the hard work of my colleagues at all levels, the Corporation will be able to show even better results in the coming years.

Thank you,

NEW DELHI
28th September, 2010

Sd/-
(VIVEK SAHAI)
CHAIRMAN





DIRECTORS' REPORT

To

The Shareholders,

The Directors have the pleasure in presenting the Eleventh Annual Report together with Audited Statement of Accounts of the Corporation for the financial year ended on 31st March 2010.

1. FINANCIAL PERFORMANCE

During the year 2009-10, the Corporation achieved a total income of ₹721.97 Crore as compared to ₹618.77 Crore in 2008-09 thereby registering a growth of approx. 17 %. The increase in income was achieved mainly due to quantum jump in internet ticketing (from ₹ 74.81 Crore to ₹112.07 Crore) and tourism activities (from ₹ 27.94 Crore to ₹ 44.73 Crore).

Quantum jump in internet ticketing was witnessed due to excellent level of service and upgraded infrastructure. The growth in tourism business was achieved due to IRCTC's focused approach on developing tourism business segment.

A net profit of ₹ 63.05 Crore was earned during 2009-10 as compared to ₹ 46.50 Crore in 2008-09 due to enhanced revenue and control on expenditure. An amount of ₹30.00 Crore has been provided towards Haulage Charges as was provided during the previous year. As at 31st March 2010, the Reserves and Surplus of the Corporation stood at ₹ 142.76 Crore. The Net Worth went up from ₹ 114.46 Crore during the previous year to ₹ 162.76 Crore during the year under review.

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

(₹ . in Crore)

Particulars/Year ending	31 st March, 2010	31 st March, 2009
Profit Before Tax	94.76	73.85
Provision For Tax	34.52	27.42
Provision for fringe benefit tax	--	0.65
Deferred Tax	(2.81)	(0.72)
Profit after Tax	63.05	46.50
Profit brought forward	9.54	8.93
Tax adjustment for the prior years		
Deferred Tax for Previous year	Nil	Nil
Transfer to Reserves	45.00	35.00
Dividend (Including Dividend Tax)	14.75	10.89
Profit carried forward to Balance Sheet	12.84	9.54

2. CONTRIBUTION TO REVENUES OF RAILWAYS:

During the year the Corporation contributed a sum of ₹ 82.28 crore to the revenues of Indian Railways as against a sum of ₹ 76.54 Crore during the previous year. Contribution to the Revenues of Railways comprises Haulage Charges, Concession fee, License fee, User Charges and Dividend. The sharing of revenues with the various Zonal Railways has been made in terms of Memorandum of Understanding dated 17th January, 2007. In addition to the above, tickets worth ₹6011 Crore were booked during the year as against ₹3889 Crore during the previous year.

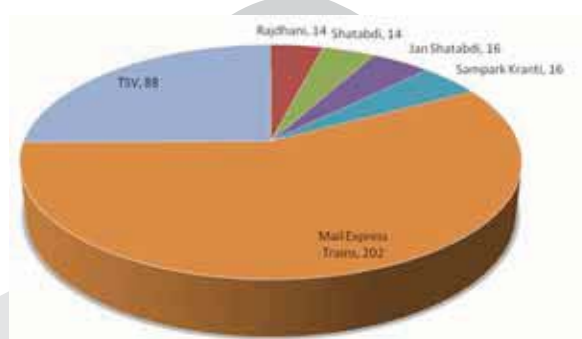
3. BUSINESS PERFORMANCE

Mobile Catering - Licensee

As on 31.3.2010, the Corporation was managing catering services in 262 trains with the break up as follows -

- (i) 14 Rajdhani
- (ii) 14 Shatabdi
- (iii) 16 Jan Shatabdi
- (iv) 16 Sampark Kranti
- (v) 202 Mail Express Trains

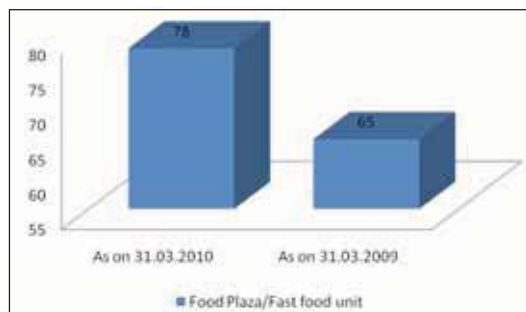
Train Side Vending services on 88 trains(without pantry car) are also managed by licensees. The graphical presentation of various types of trains is depicted below:



During the year 2009-2010, tendering of all major units was put on hold by Ministry of Railways vide letter dated 14.07.2009 due to policy instructions.

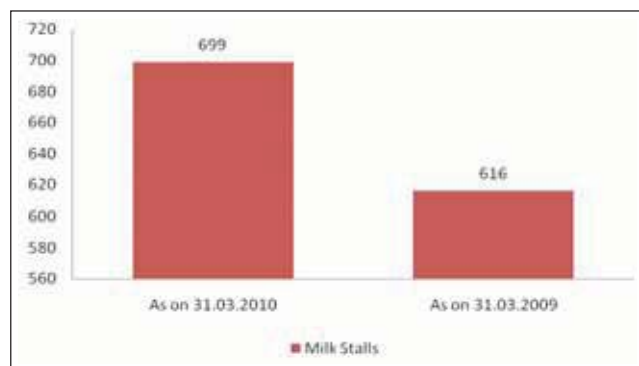
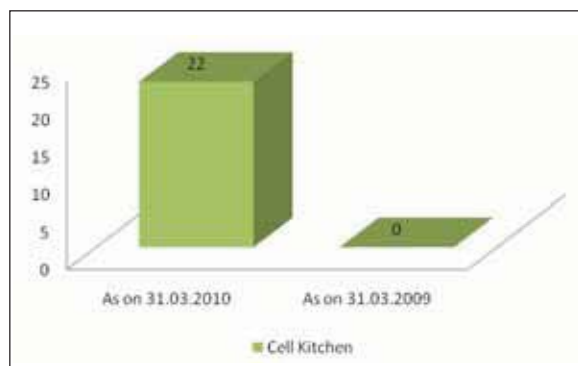
Static Catering - Licensee

During the year 13 Food Plazas/Fast Food Unit were commissioned, taking total to 78 Food Plazas/Fast Food Units on Indian Railways. 22 Cell Kitchens, a new concept, to upgrade the existing RRs and to discourage the cooking on platforms, have been commissioned. During the year 83 Milk Stalls, to promote State Dairy Co-operatives at Railway Stations, were awarded. Total No. of milk stalls awarded are 699 on Indian Railways. In addition to the above, IRCTC is managing 805 Automatic Vending Machines, 196 Refreshment Rooms, 2513 stalls, 3387 trolleys/khomchas, 1271 Book Stalls/Counters over 1008 stations on Indian Railways.





Indian Railway Catering and Tourism Corporation Ltd.



Departmental Catering

Mobile Catering: 6 Rajdhani, 9 Duronto and 8 Mail/Express Trains were operational as on 31.03.2010. Ahmedabad Rajdhani train was taken over under departmental operation from October, 2009. All the 9 newly introduced Duronto Trains were also taken over for departmental management during the year 2009-10. Train Side Vending services on 12 Trains were also under departmental operation.

Static Catering: Total 647 Static Units including 385 stalls and 227 trolleys were under departmental operation during the year.

Jan Aahar: To provide low cost wholesome food and regional cuisine to common passengers, 25 Jan Aahar outlets were also commissioned to provide affordable quality food at various stations.

The departmental catering during the year 2009-10 has suffered a loss of ₹ 74.75 crore. This has been primarily due to the following reasons:-

- (a) Higher material cost due to increased raw material prices.
- (b) Increasing HR cost due to -
 - (i) Increase in annual salary; and
 - (ii) Augmentation of staff for manning Jan Aahar outlets and Duronto trains.

Outstanding Dues

Comparative position of the outstanding dues is as follows:-

(₹ in Crore)		
Particulars	As on 31.03.10	As on 31.3.2009
Railways	144.16	154.71
Non Railway	88.16	85.01
Total	232.32	239.72

During the year, the Sundry Debtors decreased from ₹239.72 crore to ₹232.32 crore.

Tourism Activities:

During the year, the Corporation undertook the following business:

- Tour Packages: During 2009-10, a total of 43,258 passengers availed of IRCTC tour packages (rail tour packages and land tour packages) as against 31,943 passengers during the previous year.
- 248 Train / Coach Charters were undertaken by the Corporation as against 159 Charters during the previous year.

- 57 Bharat Darshan- Village on Wheels trips were operated with a total of 22,621 passengers as against 47 trips with 18,801 passengers during the previous year.
- 36 Charters were operated on hill railways as against 25 Charters operated during the previous year.

Mahaparinirvan Express, Buddhist Circuit Special Train

During its Third season, the train has gained popularity with an increase of almost 110 % in number of passengers. A multi-pronged marketing strategy has been put in place for the forthcoming season.

Bharat Darshan:

All the three Bharat Darshan rakes (East Zone, West Zone, and South Zone) were operated and marketed by IRCTC during the year. A total of 57 trips were operated with, 22,621 passengers.

Educational Tours:

7,829 students and teachers have availed the facility of educational tours as against 22,801 students and teachers during the last year to various destinations. The decline was due to shifting of Delhi Govt. business to various State Tourism Corporations etc.

During the year, IRCTC made a tie-up with the Kendriya Vidyalaya Sangathan for operating Educational Trips under its 'travel and learn' scheme. A tie-up was made with Tamil Nadu Government for operating educational tours for children from backward and under privileged classes under the Sarva Shiksha Abhiyan scheme, under which 3,272 children participated.

Maharajas' Express:

Construction of IRCTC's top end luxury tourist train – the Maharajas' Express was completed in the current year. The train made two trial trips from 6th – 13th and 14th – 20th March, 2010 and was formally flagged off on 20th March, 2010 at Kolkata by Hon'ble Minister for Railways, Km. Mamta Banerjee.

Service Quality and Improvement

IRCTC continuously strives to upgrade its products and services. Towards this end, a multi pronged service monitoring and improvement system has been put in place for taking feedback from individual customers and linking the payments to service providers to the feedback received from customers.

Internet Ticketing:

During the year 2009-10, the number of tickets booked (both E and I tickets) through IRCTC website **www.irctc.co.in** has gone upto 7.20 Crore tickets as against 4.41 Crore tickets booked during the previous year. The value of tickets booked has gone upto ₹6,011 crore during the year as against ₹ 3,889 crore during the previous year. Ticket bookings touched a daily high of 3,07,214 tickets and crossed over 60 Lac tickets sales per month for many months during the year. Average tickets sold per day through IRCTC's website were 2,55,445 tickets during March, 2010.

Integrated Train Enquiry System (139-Rail Sampark Call Centre):

IRCTC is managing a Call Center for passenger enquiry. A customer can dial 139 from anywhere in the country and get all information from Call Center related to train timing, PNR confirmation, train routes and other relevant information related to Indian Railways.

Tourism Portal

IRCTC continue to strengthen its national tourism award winning tourism portal **www.railtourismindia.com**, as a One Stop Travel Shop meeting all the travel & tourism needs of customers. This includes online booking of tour packages, hotels, air tickets and Cab Rental across the country.



Packaged Drinking Water (Railneer):

Two Plants of Railneer Packaged Drinking water are operating at Nangloi (Delhi) and Danapur (Bihar). During the year, the production of Railneer at Nangloi and Danapur was 3.19 Crore and 2.23 Crore bottles respectively. During the year, the capacity of Danapur Plant was increased from 5,500 Cartons per day to 8,500 Cartons per day.

Two Railneer Plants at Palur (Tamil Nadu) and Ambarnath (Maharashtra) are being set up.

The distribution of the Railneer is being done at various Railway Stations, in addition to, supplies to Parliament House, PMO, Railway Board and Ministry of External Affairs etc.

The results of the tests carried out by accredited laboratories on Railneer Packaged Drinking Water indicate that the quality of Railneer, conforms to European Economic Community (EEC) norms for pesticides residue.

4. QUALITY CONTROL AND COMPLAINT REDRESSAL SYSTEM

During the year, the following initiatives were taken for ensuring quality control & timely redressal of public complaints:-

- **Standard Operating Procedures (SOP) / Process Defining**

As a step towards standardization of catering services in the areas of food production and onboard services, booklet on Base Kitchens – Guidelines for setting up, operations & maintenance, Operations Manual for Mobile Catering, Food Safety Assurance Program, Launderette, House Keeping & Kitchen Stewarding have been issued.

- **Raw Material Quality / Cost Cutting Measures**

In order to have proper quality of raw materials for food production at Base Kitchens, a system of short listing suppliers for supply of raw materials is in place and branded players as well as Retail Chain Suppliers have been short listed. The introduction of Hamper System on the lines of Vendor Managed Inventory (VMI) has resulted in the improvement in quality of raw materials on one hand and cost cutting on the other hand.

- **ISO Certification**

Out of 158 Base Kitchens of licensees, 81 have already been covered under ISO certification and remaining are to be covered in due course of time. Recently, Departmental Base Kitchen at RJPB and Patna Rajdhani (2309-10) has been ISO 22000:2005 Certified during 2009-10. Due to ISO certification of catering units, there has been consistent & perceptive improvement in the quality of catering services.

- **Staff Training and Empowerment**

In order to ensure proper service standards in the onboard catering services as well as at the Base Kitchens, concerned service and food production staff are being imparted training on grooming as well as F&B services on regular basis. IRCTC has Customer Care Institute at Kishan Ganj, New Delhi for regular training to the service staff of IRCTC as well as of service providers. Training courses are also organized in association with IHM, Pusa as well as at National Institute of Training for Standardization (NITS) of BIS at Noida.

- **Control Monitoring**

In order to monitor the quality of catering services overall, Central Control has been set up at New Delhi which is fully equipped with Phone, Fax, PC with broadband connectivity and scanner and round the clock operation. All the zonal offices are also having Zonal control offices to monitor the quality of catering services. *The control offices monitor catering operations and handle complaints telephonically on the spot to the satisfaction of complainant.* In case of any abnormality of train operation, control

offices inform all concerned service provider for making provision of catering services so as to avoid any public complaint.

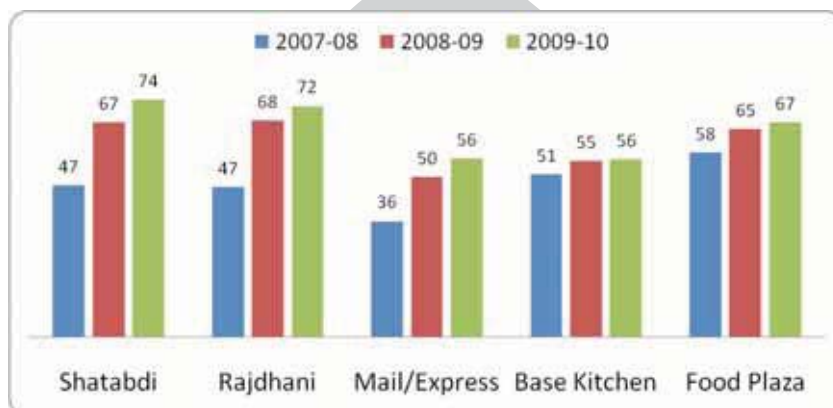
- **Inspections – by QCP/IRCTC officials**

A number of special drives have been conducted on premium trains including Rajdhani, Shatabdi, East Bound trains & other Mail/Express trains, licensee's base kitchens through IRCTC official and Quality Control Professionals (QCPs) so as to improve quality of catering services. Punitive actions have been taken against defaulting licensees by imposing heavy fines in case of major deficiencies and warnings in case of minor deficiencies.

- **Food Safety & Hygiene Audits**

Systematic Food Safety & Hygiene audit are being carried out through third party Professional agency on Trains, Base Kitchens & Food Plazas.

The comparison of Food Safety Audit rating in Trains, Base Kitchens & Food Plazas for the last 3 years i.e. 2007-08, 2008-09 & 2009-10 is shown in the Bar Chart given below:



There has been consistent improvement in the Food Safety Audit ratings over various catering units & regular efforts are made for further improvement of the ratings. The food audit reports submitted by the third party agency has short term, medium term & long term recommendations for further improvement in the food audit ratings.

- **CRM – Awareness Campaigns**

Traditionally the only source of customer feedback has been the suggestions and complaints book at the stations/trains. And quite often the complaint book was not made available to the passenger. To open several gates for people to communicate to us, several steps have been taken & now option of channels is available for complaint. The various channels of communication other than conventional complaint book are:-

- Complaint Book on Trains/Pantry Cars
- Complaints at Stations
- Through the Internet on www.irctc.com
- Through Telephone 24 x 7 at the control rooms.
- Through SMS No. 997111139
- Through Toll Free Number 1800-111-139 which have been widely circulated on all trains.
- Directly from Railway Board
- Directly to IRCTC

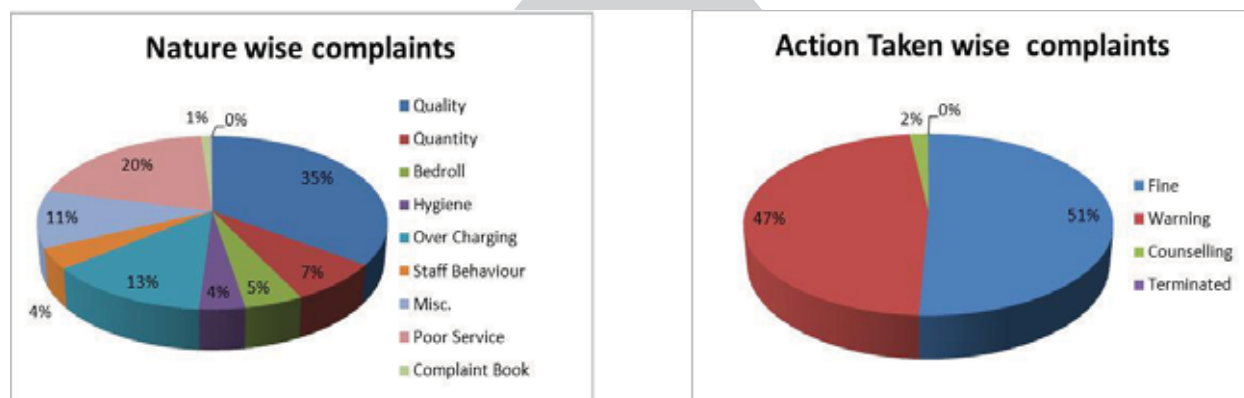


Indian Railway Catering and Tourism Corporation Ltd.

The Complaints Management solution enables to redress the complaint for a product or service pertaining to catering, coming from multiple sources like phone, fax, email, or the web. All crucial details and parameters about the product as well as the incident are captured. Drop-down menus, logical validations, and auto-fill capabilities boost efficiency and ensure accuracy of information. Depending on the complaint parameter, the case is automatically routed for investigation, response, and reporting. Complaints are sent to relevant departments and personnel and escalation mechanism is triggered based on severity and priority.

Complaint Analysis: The complaints are broadly classified as Complaint pertaining to Quality, Quantity, Staff Behaviour, Poor Services, Over charging, Unauthorized Vending & Misc. etc. Based on the seriousness of the complaint, punitive action of imposition of fine, termination, warning & counseling are taken. Punitive action taken is updated on CRM and the same gets communicated through auto-generated mail to the complainant as well as to the licensee.

Analysis of complaints for the year 2009-10 based on nature of complaints and action taken thereof is shown in the pie charts given below:-



Regular inspections are conducted by QCPs & IRCTC Officials in the trains and also at the Base Kitchens so as to improve Food Safety & Quality standards thereby minimizing public complaints. Review meetings are also held with the licensees for improving Food Safety & Hygiene standards in the pantry cars and at the Base Kitchens so as to have improvement in the quality of catering services as well as minimization of complaints on food quality front.

i) Performance Evaluation of License

Performance Evaluation system & Annual Performance Reports (APR) of licensees/contractors has been strengthened and the same is done on the basis of various aspects such as Overall Performance, Hygienic Condition of Catering Unit, Attitude & Aptitude of Licensee, Number of Complaints, Deficiencies Noticed during inspections, Customer Satisfaction Survey ratings of third party agency, Food Audit evaluation by third party agency, Assessment of Quality of Food, Preparation & Presentation methods, provision of meals as per prescribed quantity etc.

ii) Customer Satisfaction Surveys

Leading market research agencies i.e. M/s IMRB International, M/s IMRS have been engaged to measure the degree of satisfaction of rail travelers on various aspects such as Food & Refreshment, Bed Roll & Linen, Staff Behavior & Compartment related aspects to identify the areas for improvement.

The comparison of customer satisfaction ratings for Rajdhani, Shatabdi & Mail/Express trains for last 3 years is shown in the table given below:

Train Category/ Year	2008-09		2009-10	
	No. of Trains	Percentage	No. of Trains	Percentage
Rajdhani	25	74%	34	82%
Shatabdi	15	79%	26	84%
Mail/Express	105	54%	68	56%

- Menu Sticker Pasting-- In order to remove the menace of over-charging by the service provider in the Mail/Express trains, all India drives on pasting of menu stickers through Quality Control Professionals have been launched from time to time. Other relevant information like Toll Free Number for lodging their grievances/suggestions, standard rates of tea/coffee, Rail Neer etc. is also printed. During the year 2009-10, more than 35,000 stickers were pasted in coaches of mail express trains.

5. Catering Policy:

Ministry of Railways has issued the Catering Policy – 2010 on 21st July, 2010. The challenge to the catering business of the company due to it would be met by evolving strategies to streamline and augment the catering business in the realm of food courts, food plazas and fast units.

6. Awards / Recognition

In recognition of the excellent performance of the Corporation in various fields, the following awards have been conferred on IRCTC during the year:

- Rated 'Excellent' for MOU Evaluation for the year 2008-09 by Department of Public Enterprises.
- CNBC Awaaz-Travel Awards –The Special Commendation for Redefining Indian Railways Award – 2009 for E-ticketing by Ms. Selja, Hon'able Minister of Tourism.
- PC Quest awarded the Excellence Award for Most Innovative Project in 2009 for 139-Rail Sampark.
- QCI DL Shah National Award on Economics of Quality – "QCI - D. L. Shah National Award for our initiatives on food safety and Economics of Quality" by Quality Council of India by Dr. Masaki Imai, Quality Guru of Japan.
- The Grand Jury of the mBillionth Award South Asia for the year 2010 – Certificate of Recognition SMS 139 Railway Enquiry.
- ICWAI National Quality Award for Excellence in Cost Management – 2009 : First Prize under public service sector medium category by Shri Salman Khurshid, Hon'ble Ministry of State for Corporate Affairs.

- 7. FUTURE PLANS:** Some of the initiatives planned for tourism, catering activities and Internet Ticketing are as under:

Catering:

- Railway Catering -
 - More Food Plazas/Fast Food Units/Food Courts will be set up on Indian Railways.
 - Book Stalls will be upgraded, subject to orders of Hon'ble Supreme Court of India.



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- Non-Railway Catering -
 - Institutional catering business in concerning Educational Institutes/Corporate/Government/Semi-Government.
 - Spatial catering presence like NHAI & other projects driven by private back end partners of IRCTC with suitable financing models.
 - Food factory: Production facility with State of Art kitchen to supply food to railway & non-railway.

Railneer:

- **Strategic tie ups:** IRCTC is working towards tie ups in the areas of Rail Neer.
- **New Rail Neer Plants:** For Southern Region, Rail Neer plant is being set up at Palur near Chennai. Tender has been awarded and physical work for setting up building is nearing completion. However, the installation of plant and machinery is held up due to court case pending with Hon'ble Supreme Court. The decision for the same is expected shortly. For Western region, architect and plant consultants have been appointed for Rail Neer plant at Ambarnath near Mumbai.

Tourism:

- Thrust on Educational Tours on All India basis.
- Further development of rail tour package business
- Strategic tie-ups for promoting tourism
- Comprehensive travel services to corporate clients.
- Offering a full range of services as an online travel agent.

Internet Ticketing

- Modernization of IT infrastructure.
- Setting up of disaster recovery site.

8. HUMAN RESOURCE DEVELOPMENT AND TRAINING INITIATIVES:

During the year, 2147 employees of the Corporation were imparted training on various aspect of their work as compared to 1452 in the previous year. The Corporation organized training programmes for staff at Customer Care Centre, Delhi and reputed Regional and Government institutes.

The Corporation has organized the training programmes for all the staff categories viz., Officers, QCPs, Inspectors, Supervisors, Cooks, Bearers, etc in the skills up-gradation and personal hygiene. These training programmes have benefited large number of catering staff. In addition to this, specific trainings were imparted at best national and regional food institutes to upgrade skills of departmental cooks.

9. DIVIDEND

Keeping in view the financial results, the Board of Directors recommended interim dividend of ₹4.00 Crore. The Board of Directors have now recommended a Total Dividend of ₹12.61 Crore (Approximately, 20 % of the Net Profit) including interim dividend for the year 2009-10.

The total dividend for the year will be ₹ 6.31 per share as against ₹4.65 per share paid for the previous year. The total dividend pay out for the year would be ₹ 12.61 crore as against ₹9.31 crore paid for the previous year.

10. CAPITAL STRUCTURE

As on 31st March 2010, paid-up share capital of the Corporation stood at ₹20.00 Crore. The Government of India holds the entire paid up share capital of the Corporation. During the year, there was no change in the paid-up share capital.

11. INDUSTRIAL RELATIONS

Cordial industrial relations were maintained during the year.

12. PRESIDENTIAL DIRECTIVES /GOVERNMENTAL DIRECTIVES

A Presidential Directive on implementation of Second Pay Committee' recommendations was received from the Government during the financial year 2009-2010. The same has been implemented.

13. VIGILANCE

- 13.1 The Vigilance Department is presently headed by part-time Chief Vigilance Officer and has constantly endeavoured to emphasize on "preventive Vigilance" to improve upon systems and procedures and leaving minimum scope for discretion. It also ensured to enforce discipline in exercising power in a judicious way in matters relating to administrative and financial functions.
- 13.2 The Vigilance set up in IRCTC has been an effective managerial tool in enhancing the performance of the Corporation by way of advising functional Divisions to systematize/ document the policies/ procedures.
- 13.3 The vigilance Awareness Week 2009 was organized during 3-7 November, 2009. Various programmes/ lectures were arranged in all the offices of the IRCTC with a view to create awareness about preventive measures through system improvement and use of Information technology.
- 13.4 Performance of the Vigilance Department is reviewed regularly by the CVC and Managing Director/ IRCTC.
- 13.5 Bringing the practices in IRCTC up to the internationally acclaimed best practices for raising integrity levels in procurement of works and services etc., IRCTC is implementing the "Integrity Pact" program in line with the recommendations of Central Vigilance Commission. The adoption of Integrity Pact by IRCTC will go a long way toward, establishing healthy business practices.

14. IMPLEMENTATION OF THE OFFICIAL LANGUAGE

The Corporation continued its thrust on the Official language implementation in-line with Govt. of India's Policy. Several steps are taken to increase the use of Rajbhasha in the Corporation and the Corporation has proved its commitment to ensure the implementation of the Rajbhasha Policy.

The Corporation has made all efforts to increase the use of official language for its continued propagation, various activities like organizing workshops; to give training, meetings, essay competition, cultural activities, Publication of bilingual House Magazine PRERNA etc. For outstanding and noteworthy contribution in Hindi, number of incentives and reward schemes are in force.

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Report on Management Discussion and Analysis is placed as per **Annexure-I** to this report.

16. PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, none of the employees were drawing salaries and allowance beyond the limit stipulated therein.



17. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO ETC:

Details as per the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is given as per **Annexure-II**.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibilities Statement; it is hereby confirmed:

- (i) That in the preparation of annual accounts for the financial year ended 31st March 2010; the applicable accounting standards have been followed.
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at the end of the financial year and profit and loss of the Corporation for the period under review.
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities.
- (iv) That the directors have prepared the annual accounts for the financial year ended 31st March 2010, on a 'going concern' basis.

19. COMMENTS OF COMPTROLLER AND AUDITOR GENERAL

The Comments on the accounts for the year ended 31st March, 2010 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 shall form part of this report.

20. CORPORATE GOVERNANCE AND MOU SIGNING

A report on Corporate Governance, forming part of this report, is given in **Annexure-III**. The certificate on Corporate Governance obtained from the practicing Company Secretary is given in the **Annexure-IV** to this report.

The Corporation has also signed an MOU with the Government of India, Ministry of Railways thereby laying inter alia the physical and financial targets for the year 2009-10.

21. CORPORATE SOCIAL RESPONSIBILITY

IRCTC's Corporate Social Responsibility Policy is "To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including railway passengers, customers, consumers, shareholders, employees, local community and society at large".

IRCTC has undertaken the following measures towards fulfilling its commitment:

- Using environment friendly products for packaging of food items and serving of beverages.
- Safe discharge of waste water in Solar Pits to recharge the water table in the earth and correcting ecological balances.
- Planting of trees
- Preventing spillage of garbage and ensuring safe disposal of garbage in Railway premises.
- Introduced Induction Cooking System to minimize fire hazards in Railway premises.
- Food and Safety audits for minimizing health hazard.

- Financial support to educational and other institutions.
- Installation of environment friendly CDTs toilets in the Buddhist Circuit Special Train as well as the Maharajas' Express.

During the year, 1,00,000 bottles of Railneer were distributed amongst the cyclone affected people in West Bengal.

SUSTAINABLE BUSINESS DEVELOPMENT:

IRCTC has undertaken the following measures for ensuring sustainable business development:

- Utilization of solar energy at Base Kitchens and Refreshment Rooms ,
- Collection and disposal of used Rail Neer Bottles to prevent its misuse.

22. AUDITORS

M/s S.P. Marwaha & Co., Chartered Accountants, New Delhi were appointed as Corporation's Statutory Auditors for the year 2009-2010 by Comptroller and Auditor General of India, New Delhi.

23. BOARD OF DIRECTORS

At present, the Board of the Corporation consists of a part-time Chairman, Managing Director, three Functional Directors, two Government Nominee Official Directors and Four part time non-official Directors.

The Board met four (4) times during the year for transacting business and following Directors held office up to the date of the Report: -

Shri Vivek Sahai, Chairman,

Shri Rakesh Kumar Tandon, Managing Director,

Shri Nalin Shinghal, Director (Tourism & Marketing),

Shri Vinod Asthana, Director (Catering Services),

Shri Vishwa Ranjan Gupta, Director(Finance)

Shri Naresh Salecha, Government Director

Smt. Mani Anand, Government Director

Shri Jagdeep S. Chhokar, Independent Director

Shri Alok Shivapuri, Independent Director

Shri R.N. Bhardwaj, Independent Director

Shri R.K. Agrawal, Independent Director

Shri Vivek Sahai, Member Traffic, Railway Board joined the Board of the Corporation as Chairman on 14.01.2010 in place of Shri Shriprakash, who ceased to be Director of the Corporation on attaining superannuation from the services of Ministry of Railways. The Board wishes to place on record its appreciation and gratitude for the invaluable contribution and support to the Company made by Shri Shriprakash during his association as Chairman of IRCTC.

Shri Sunil Mathur, Executive Director(T&C), Railway Board, Ministry of Railways joined the Board of the Corporation as Government Director on 14.01.2010 in place of Shri Ashok Kumar, who ceased to be Director of the Corporation consequent to his transfer from the post of ED(T&C), Railway Board, Ministry of Railways. Smt. Mani Anand, Executive Director(T&C), Railway Board, Ministry of Railways joined the Board of the Corporation as Government Director on 14.05.2010 in place of Shri Sunil Mathur, who ceased to be Director of the Corporation consequent to his transfer from the post of ED(T&C), Railway Board, Ministry of Railways. The Board wishes to place on record its appreciation for the valuable guidance and services rendered by Shri Ashok Kumar and Shri Sunil Mathur during their association as Government Directors of IRCTC.



24. AUDIT COMMITTEE

An Audit Committee of the Board of Directors was earlier constituted by the Corporation. The Audit Committee of Board of Directors met Three (3) times during the year for transacting business and following Audit Committee Members held office up to the date of the Report: -

Shri R. N. Bhardwaj, Independent Director

Shri Jagdeep S. Chhokar, Independent Director

Shri Alok Shivapuri, Independent Director

Shri R.K. Agrawal, Independent Director

Shri Vinod Asthana, Director(Catering Services)

Shri R.N. Bhardwaj has been elected as Chairman of the Audit Committee.

25. ACKNOWLEDGEMENT & APPRECIATION

The Board of Directors place on record their grateful thanks for the guidance and cooperation extended all through by the Ministry of Railways without whose active support the achievements by the Corporation during the year under review would not have been possible.

The Board of Directors is also extremely grateful to its valued customers and licensees.

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

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

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 7th September, 2010

Sd/-
(VIVEK SAHAI)
Chairman

Annexure-I to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(1) INDUSTRIES STRUCTURE AND DEVELOPMENT

ECONOMIC SCENARIO

Indian Economy has shown a remarkable resilience in recovering from global economic slowdown. The GDP growth which plunged from three year's average of over 9 per cent to 6.7 per cent in 2008-09 is expected to reach at 7.2 per cent or even more in 2009-10 once the figures for the last two quarters are available. The credit for recovery goes to policy makers who timely implemented the broad based counter-cycle policy packages to respond to the negative fallout of the global slowdown. Substantial fiscal expansion along with liberal monetary policy support helped the economy in moving steadily on the right track of the growth.

CATERING AND TOURISM SECTOR

Catering Industry Overview:

Long back, communicative integration was lacking in Indian subcontinent. People of different regions had very little contact. Regional diversity in terms of food, cloth, culture and lifestyle acted as a separating factor for the people of India, giving birth to regionalism. When it comes to food, Punjab was famous for its rich and mouth-watering delicacies. South Indian dishes were popular for their flavors. North East region was known for its huge variety of delicious cuisines. Thanks to the widespread communication network across the country and the recent boom in catering and hotel industry in India, cuisines are no longer confined to their own regions but have overlapped and influenced each other. People living anywhere in our subcontinent can now have the scrumptious cuisines of any other region from the chain of restaurants flourishing all over the country.

Railway Catering though monopolistic business, has also adopted regional cuisines to cater to the needs of the Railway Passengers.

The food industry in India is one of the largest in terms of production, consumption and growth prospects. By 2015, according to an assessment the Indian Food Industry is expected to reach US\$258 billion from the current level of US\$180 billions. It is important that the Railway should also catch up with the important trends taking place in the food arena.

Production and services of food to passengers on Indian Railways is a very important activity in the field of Customer Care. The technological change both in terms of production and service has brought about significant shift in the way food is handled and served.

According to one estimate, the catering business on the Indian Railways is around ₹ 10,000 Crores annually. Given the vast consumer base, there are opportunities which Railway and IRCTC cannot ignore. The growth in the size of the middle to upper classes which is projected to increase at more than 300 % between 2005 and 2015, and youth population that is expected to grow annually by 11 %, will lead to increase in demand for convenient travel, variety and demand for hygienic, healthy and food full of variety.

An increase in Per Capita Disposable Income by 8 % over the last 5 years has lead to an increase in Per Capital Consumption Expenditure on food by over 20 % but this is still much below the same, as in China, US etc.

The key socio economic changes impacting the magnitude of food consumption can be summarized as follows:-

- (a) Four times growth in the size of Indian Households in the middle to upper classes which will result in Indian household consumption to doubling by 2015.



Indian Railway Catering and Tourism Corporation Ltd.

- (b) Increase in Youth Population.
- (c) Growing migration from Rural India to Urban India
- (d) Increase in a No. of passengers with increase in No. of trains on the Railway network.

Along with the socio economic changes, their lifestyle changes which also results in the transition of the passengers. Food consumption patterns:-

- (a) Nuclear family having limited time for cooking.
- (b) Acceptance of packed / processed food products, as per industrial market trend.
- (c) Passenger awareness driven by Media penetration.

Tourism Industry Overview:

Total International Tourism receipts are estimated to amount to 852 billion USD (2009) with a growth rate of over 10% Per Annum. It is also a very important contributor to employment and accounts for about 8% of the world employment (on direct basis). Further, it is estimated to have a multiplier of about 2.25 i.e. each direct job in the tourism sector creates 1.25 jobs indirectly in related industries like construction, ship building, aircraft, automobile industries, floriculture, agriculture, entertainment etc.

International tourism suffered a setback due to the economic downturn but is now on the rebound.

India received about 5.2 million tourist in 2007-08 with Foreign Exchange earning of 11.7 Billion USD. As against this, the number of Indian going overseas stood at 10.65 Million. Tourism arrivals suffered a marginal decline to 5.07 million in 2008-09 (Foreign exchange earning 10.5 Billion USD) which is again increasing in the current year.

India accounts for 0.56% of the international tourist arrivals and 1.25% of the international tourism receipts and stands 41st in world tourist arrivals. In comparison to this it stands 2nd by population, 7th by land mass and 12th by GDP. India boasts of some of the most scenic terrains with abundance of mountains, beaches, deserts, forests, wildlife as well as a rich heritage.

The total number of domestic tourists was 526 million. As such, domestic tourism is a very important segment in India. This segment is, however, largely unorganized. In this scenario, IRCTC has been developing and operating a range of tourism products across the country accounting for different income segments as well as purposes and requirements.

IRCTC operates Bharat Darshan (Village on Wheels) trains at an all inclusive cost of ₹ 500 per passenger per day for the budget tourist, and a range of Tour packages with and without rail component for the middle end. It operates a Special Train for the Buddhist Circuit and has also launched a top end Luxury Tourist Train (The Maharajas' Express) which is owned by IRCTC and managed by a 50:50 Joint Venture with M/s Cox & Kings (India) Ltd.

IRCTC has also developed a Travel & Tourism Portal – www.railtourismindia.com, which is a one stop travel shop and offers customers a range of travel & tourism products which includes packages, special trains, charters, hotel bookings, cab rentals, air ticketing etc.. This portal has received the National Tourism Award of Excellence in Feb'08.

Grid –One window Solution for Hospitality:

Grid for online redressal of passenger catering grievances has been established through a chain of Control Rooms. They are connected through a CRM, which operate on customized dedicated software. These Control Rooms are connected through Fax, Internet, Mobile Phone and also National Toll Free Number and common integrated SMS facilities. Catering establishments across the country are also linked through internet or otherwise to offer the following services on experimental basis:

- (1) Book a meal: On line booking of meals,
- (2) Institutional catering business in Educational Institutes/ Corporate/ Government/Semi-Government etc,

Later on, it is to be extended as a one window for passenger facilities such as hotel and cab booking and tourism and transportation related facilities etc. This is likely to deliver higher customer satisfaction.

(2) STRENGTH & WEAKNESS

STRENGTH

- Leverage on all Indian Railway Network including Stations and Trains.
- Capitalization on large volume of Railway user base.
- Largest passenger service provider in country covering 1100 trains per day & 7000 stations.
- Rail passenger services provide excellent potential for ticketing and tourism activities.
- Knowledge & Experience of travel, tourism & ticketing
- Largest e-commerce service provider
- Over the years, IRCTC has developed a range of capabilities for hospitality and tourism sectors including a network of offices across the country, a cadre of professionally qualified and experienced staff, presence in the catering, tourism & travel sectors. It is best known for its Internet Ticketing services where it presently sells about 2,60,000 tickets per day and has a customer base of about 16 million.

WEAKNESS

- Catering activities covering 3152 stations is largely in the unorganized sector.
- Lack of standardization.
- Services have not expanded to meet passenger expectation and market demand.
- Well entrenched existing catering contractors.
- Poor image of Railway catering among public.

(3) OPPORTUNITIES & THREATS :

OPPORTUNITIES:

- With a customer base of 17 million passengers per day giving very high foothold
- Healthy growth in Rail travel
- With good disposable income & changing Indian tastes, opportunity for multi-cuisine food plazas, AVMs, combo meals on trains etc.
- Fastest growing domestic & international tourism
- Customer base of 400 million domestic tourists & 5 million international tourists
- Utilize Rail capacity on premium trains to promote tourism.
- Growth in travel portal
- Re-organize catering activities to meet requirement of all passenger segments.
- In the tourism sector there are immense opportunities available in domestic tourism, corporate travel, inbound tours etc.
- The Internet Ticketing area also offers a range of opportunities and IRCTC has already been selected for handling the entire ticketing event for CWG 2010. There are a number of opportunities available in e-commerce area.
- In the field of catering, there is good scope available for developing food plazas and fast food units at railway stations as well as for taking up non-railway catering services.

THREATS

- Inability to improve the quality due to unauthorized vending at Stations / Trains and litigations by entrenched vendors and existing licensees.
- Attraction and retention of good quality manpower

(4) SEGMENT-WISE PERFORMANCE

IRCTC operates in two major business segments i.e. Catering and Tourism. The catering segment is divided into three parts namely, Mobile Catering, Static Catering which is further sub-divided into Licensee catering



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and Departmental Catering and Railneer-packaged drinking water. The Tourism segment is divided into two major areas namely, Tourism products and services and Internet Ticketing.

During the year 2009-10, the Licensee catering business registered an income of ₹ 369.44 Crore as against ₹ 344.83 crore achieved during 2008-09. The Segment result (profit) achieved was ₹ 64.81 crore during the year as against ₹ 69.21 crore. The decline in the segment result was due to allocation of more identifiable overheads.

During the year 2009-10, the Departmental Catering business registered an income of ₹ 147.05 crore as against ₹ 138.93 crore achieved during 2008-09. The Segment result (loss) of ₹ 74.74 crore was suffered during the year as against ₹ 54.98 crore. For the Departmental mobile the loss was ₹ 25.17 Crore and ₹ 49.58 Crore in Departmental Static Units. This has been primarily due to the following accounts:-

- (a) Higher material cost due to increased raw material prices.
- (b) Higher HR cost.
- (c) Non-revision of tariff of meals by Railways,
- (d) Increased departmental activity.

During the year 2009-10, the Railneer business registered an income of ₹ 22.41 Crore as against ₹ 12.85 crore achieved during 2008-09, mainly due to expansion of capacity of Rail Neer Plant Nangloi and Danapur from 5500 Cartons per day to 8500 Cartons per day. The profit achieved was ₹ 8.95 crore during the year as against ₹ 1.35 Crore of the previous year.

During the year 2009-10, the Tourism business registered an income of ₹ 44.73 Crore as against ₹ 27.94 crore achieved during 2008-09, indicating a growth of 60 %. The Segment result (loss) of ₹ 2.81 crore was suffered during the year as against ₹ 1.98 crore mainly because the emphasis was to increase the revenue by reduced margins.

During the year 2009-10, the Internet Ticketing business registered an income of ₹ 122.89 Crore as against ₹ 82.62 crore achieved during 2008-09. The Segment result (profit) achieved was ₹ 83.92 crore during the year as against ₹ 46.89 crore. Quantum jump in internet ticketing was witnessed due to good marketing efforts, upgraded infrastructure and improved customer care.

(5) OUTLOOK

The Company is under serious threats i.e. on account of issues brought in this report and future performance will depend upon vision and support received from Indian Railways in a big way.

(6) RISKS AND CONCERNS

Catering :

Ministry of Railways has issued the Catering Policy – 2010 on 21st July, 2010. The challenge to the catering business of the company due to it would be met by evolving strategies to streamline and augment the catering business in the realm of food courts, food plazas and fast units.

Internet Ticketing:

IRCTC has pioneered provision of E-ticketing services in the realm of railway reservations. Keeping in view the policy of Government of India to bring about competition progressively in all segments of its business interfaced with its customers, there is a need for thinking afresh on the strategy being followed for building up the revenue in the E-ticketing business of the company. Strategy for innovation ushering in value-added services will be conceived to meet this challenge.

(7) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has formulated various policies and procedures, as part of its Internal Control System, for orderly and efficient conduct of its business, including adherence to management's policies, safeguarding

of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has assigned the Internal Audit Work to an outside professional firm, M/S K.G. Somani & Co., Chartered Accountants, New Delhi. Internal audit covers all areas of operations of IRCTC as per annual Internal Audit Programme. This helps in improving accuracy and efficiency of transactions and operations by undertaking review of controls in built, scrutiny of payments and expenditure, and examination of financial and technical records of the Company.

INTEGRITY PACT

'Bringing the practices in IRCTC up to the internationally acclaimed best practices for raising integrity levels in procurement of works and services etc., IRCTC is implementing the integrity pact program in line with the recommendations of Central Vigilance Commission. The process of engagement of Independent External Monitors (IEMs) is completed. The adoption of Integrity Pact by IRCTC will go a long way in establishing healthy business practices.

(8) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year 2009-10, the Corporation achieved a total income of ₹ 721.97 Crore as compared to ₹ 618.77 Crore in 2008-09 thereby registering a growth of approx. 17 %. Increase in the income was despite of hold on tendering of major and minor units imposed by Ministry of Railways.

A net profit of ₹ 63.05 Crore was earned during 2009-10 as compared to ₹ 46.50 Crore in 2008-09 due to enhanced revenue and control on expenditure. An amount of ₹ 30.00 Crore has been provided towards Haulage Charges as was provided during the previous year. As at 31st March 2010, the Reserves and Surplus of the Corporation stood at ₹ 142.76 Crore. The Net Worth went up from ₹ 114.46 Crore during the previous year to ₹ 162.76 Crore during the year under review.

During the year, the Ministry of Railways started process of review of Catering Policy and putting most of the catering activities on trains virtually on hold with further direction to stop giving contracts and managing the train on departmental basis through IRCTC employed staff. IRCTC adopted strategy of major outsourcing to manage the new departmental trains introduced.

MOU for the year 2009-10 with Ministry of Railways

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

MOU Parameters	MOU 2009-10	Actual 2009-10
Gross Margin/Gross Block (%)	56.83%	84.59%
Net Profit/ Net Worth (%)	30.92%	38.74%
Gross Profit/Capital Employed (%)	47.08%	62.45%
Gross Margin(₹ in Crore)	80	107.3
Gross Sales(₹ in Crore)	550	694.95
PBDIT/Total Employment(₹ in lakh per person)	2.29	4.07
Added Value/ Gross Sales	12.03%	13.26 %

BUSINESS AND FINANCIAL REVIEW OF THE JOINT VENTURE COMPANY:

ROYALE INDIAN RAIL TOURS LIMITED

- Main object of the Company includes operation of Luxury tourist train.

As on 31st March, 2010, the authorized share capital of the Company is ₹ 5 Crore and Paid up capital of ₹5 crore. The promoters of ROYALE INDIAN RAIL TOURS LIMITED are IRCTC and Cox and Kings (India)



Indian Railway Catering and Tourism Corporation Ltd.

Limited, individually holding 50 % each of the paid-up equity and subscribed share capital of the Company.

• **Provisional Financial Highlights of the Company:**

(₹ in Crore)		
Particulars	Fiscal 2010	Fiscal 2009
IRCTC investment in Equity	2.50	2.50
Gross Income	0.93	0.02
Net Profit/ (Loss)	(1.77)	(0.34)

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

The Corporation organized training programmes for staff at Customer Care Centre, Delhi and reputed Regional and Government institutes.

The Corporation has organized the training programmes for all the staff categories viz., Officers, QCPs, Inspectors, Supervisors, Cooks, Bearers, etc in the skills up-gradation and personal hygiene. These training programmes have benefited large number of catering staff. In addition to this, specific trainings were imparted at best national and regional food institutes to upgrade skills of departmental cooks.

Cordial Industrial Relations were maintained during the year.

In order to professionalize and smooth functioning, 21 Executives, 175 Supervisors and 244 workers were appointed in IRCTC through open advertisement and campus recruitment during the year.

The total manpower at the close of the financial year 2009-10 i.e. on 31st March, 2010 was 2645 which includes 488 Executives and 2157 Non-Executives.

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

IRCTC has undertaken the following measures:

- Utilization of solar energy at Base Kitchens and Refreshment Rooms
- Safe discharge of waste water in Solar Pits to recharge the water table in the earth and correcting ecological balances.
- Preventing spillage of garbage and ensuring safe disposal of garbage in Railway premises etc.

(11) CORPORATE SOCIAL RESPONSIBILITY

IRCTC's Corporate Social Responsibility Policy is "To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including railway passengers, customers, consumers, share holders, employees, local community and society at large".

IRCTC has undertaken the following measures towards fulfilling its commitment:

- Using environment friendly products for packaging of food items and serving of beverages.
- Safe discharge of waste water in Solar Pits to recharge the water table in the earth and correcting ecological balances.
- Planting of trees
- Preventing spillage of garbage and ensuring safe disposal of garbage in Railway premises.
- Introduced Induction Cooking System to minimize fire hazards in Railway premises.
- Food and Safety audits for minimizing health hazard.
- Financial support to educational and other institutions.
- Installation of environment friendly CDTs toilets in the Buddhist Circuit Special Train as well as the Maharajas' Express.

During the year, 1,00,000 bottles of Railneer were distributed amongst the cyclone affected people in West Bengal.

SUSTAINABLE BUSINESS DEVELOPMENT:

IRCTC has undertaken the following measures for ensuring sustainable business development:

- Utilization of solar energy at Base Kitchens and Refreshment Rooms ,
- Collection and disposal of used Rail Neer Bottles to prevent its misuse.

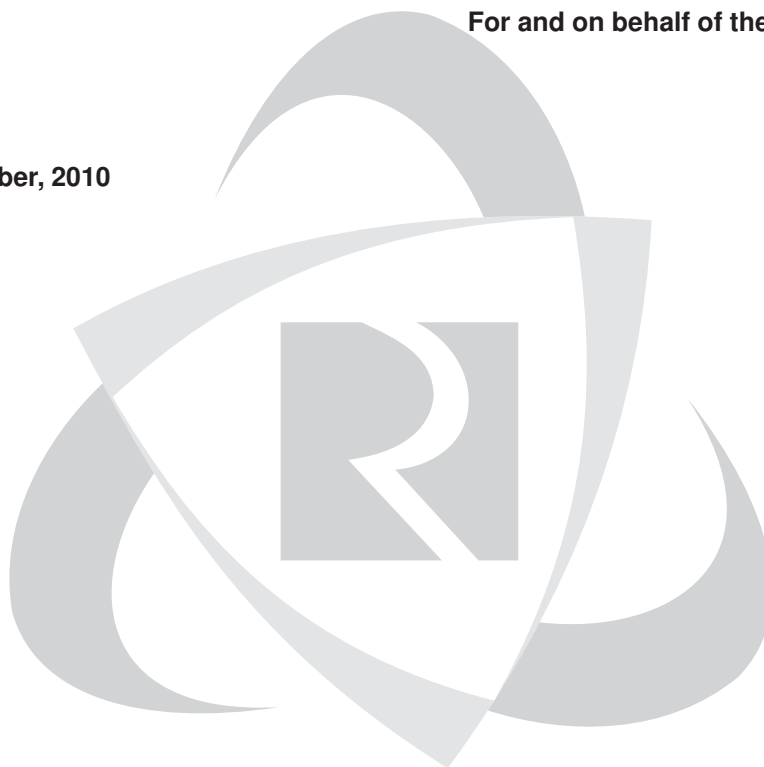
Cautionary Statement:

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

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 7th September, 2010

Sd/-
(VIVEK SAHAI)
Chairman





Annexure-II to Directors' Report

FORM A

Disclosure of particulars with respect to Conservation of Energy:

A. Power and Fuel consumption:

Particulars	2009-10	2008-2009
1. Electricity:		
a) Purchased:		
Units ('000 KWH)	2678.18	1819.23
Total Amount (₹ In Lac)	139.89	94.50
Rate/Unit (₹)	5.22	5.19
b) Own Generation:		
Through Diesel Generator-		
Units ('000 KWH)	144	321
Units per ltr. of diesel oil	3.12	3.16
Cost/unit (₹)	15.58	12.51
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Natural Gas	Nil	Nil

B. Consumption per unit of production:

Particulars	Electricity (KWH/per Bottle)		Furnace oil		Natural gas		Coal	
	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09
Railneer – Packaged Drinking Water	0.05	0.05	Nil	Nil	Nil	Nil	Nil	Nil

FORM B**Disclosure of Particulars with respect to Technology Absorption:****Research and Development(R&D)****1. Specific areas in which R&D is carried out by the Company:**

Development of under slung water filtration plant for passenger coaches of Maharajas Express.

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

Availability of filtered water for all purposes in coaches of the train for convenience of guest and longer life of equipment.

3 Future plan of action:

Nil

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

(₹ In Lac)

Sr. No.	Particulars	2009-10	2008-09
A	Capital	3.70	Nil
B	Recurring	Nil	Nil
	Total	3.70	Nil
	Total R&D Expenditure as a percentage (%) of turnover	N.A.	N.A.

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

Technology	Year of Import	Status of absorption
NIL		

6. Foreign exchange earnings and outgo:

(₹ In Lac)

Particulars	2009-10	2008-09
Foreign Exchange Earnings	1347.61	3084.93
Foreign Exchange Outgo:-		
Foreign Travelling Expenses	29.40	28.25

For and on behalf of the Board

Place: New Delhi
 Dated: 7th September, 2010

Sd/-
 (VIVEK SAHAI)
 Chairman



Annexure-III to the Directors' Report

Corporate Governance Report

1. Company's Philosophy:

The objective of the Company in relation to Corporate Governance is to enhance share holders' value in the long run by ensuring transparency, disclosures and reporting that not only comply with statutory regulations but also promote ethical conduct throughout the organization. IRCTC believes that good governance should entail trusteeship, empowerment and accountability of the management while remaining proactive to the Government policies.

IRCTC has been conferred with the status of "MINIRATNA PSE" with effect from May, 2008 by the Ministry of Railways.

The Miniratna status has provided the flexibility and autonomy in terms of making investments and operational decisions. Now, the Board of Directors has power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval up to ₹ 500 Crore or equal to Net Worth, whichever is less.

The ceiling on equity investment to establish joint ventures and subsidiaries in India, Ceiling in one project is 15 % of the Net Worth and is limited to ₹500 Crore. Overall ceiling on such investment in all projects put together is permitted up to 30 % of the Net Worth.

Management Discussion and Analysis Report is annexed to Directors' Report.

The Company has complied with the conditions of the Corporate Governance, the disclosure requirements of which are given below.

2. Composition of the Board:

The Board of Directors as on 31st March, 2010 consists of a Part time Chairman, a Managing Director, three Functional Directors, and two Government Nominee Official Directors and four part-time Independent non-official Directors.

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

Shri Vivek Sahai, Member Traffic, Ministry of Railways, Railway Board became Chairman of IRCTC w.e.f. 14.01.2010 in place of Shri Shriprakash who ceased to be Chairman of the Corporation, consequent upon attaining superannuation.

The appointment of a Director in the Corporation is approved by the President of India in terms of its Articles of Association.

Shri Sunil Mathur, Executive Director(T&C), Railway Board, Ministry of Railways joined the Board of the Corporation as Government Director on 14.01.2010 in place of Shri Ashok Kumar, who ceased to be Director of the Corporation consequent to his transfer from the post of ED(T&C), Railway Board, Ministry of Railways.

Smt. Mani Anand, Executive Director(T&C), Railway Board, Ministry of Railways joined the Board of the Corporation as Government Director on 14.05.2010 in place of Shri Sunil Mathur, who ceased to be Director of the Corporation consequent to his transfer from the post of ED(T&C), Railway Board, Ministry of Railways.

Age and Tenure of Directors:

Age limit of the Managing Director and Functional Directors is 60 years.

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

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

The tenure of Directors as on 31st March, 2010 was as follows.

Detail of Director		Name	Date of Joining the Board	Date of Superannuation/ completion of the tenure
Category	Designation			
Whole-time Director	Managing Director	Shri Rakesh Kumar Tandon	05.01.2009	04.01.2014
	Director (T & M)	Dr. Nalin Shinghal	02.01.2007	01.01.2012
	Director (CS)	Shri Vinod Asthana	26.06.2007	25.06.2012
	Director (Finance)	Shri Vishwa Ranjan Gupta	06.09.2008	05.09.2013
Government Nominees	Member Traffic, Railway Board	Shri Vivek Sahai	14.01.2010	30.06.2011 (Superannuation)
	Director	Shri Naresh Salecha	4.10.2006	Till the President desires.
	Director	Shri Sunil Mathur	14.01.2010	Till the President desires.* ceased with effect 14.05.2010
Part-time Non official Directors	Independent Director	Shri Jagdeep Singh Chhokar	28.05.2008	27.05.2011
	Independent Director	Shri Alok Shivapuri	28.05.2008	27.05.2011
	Independent Director	Shri R. N. Bhardwaj,	22.01.2009	21.01.2012
	Independent Director	Shri R. K. Agrawal,	22.01.2009	21.01.2012

* Smt. Mani Anand joined as Government Director with effect from 14.05.2010

3. Board Meetings and Attendance:

The meetings of the Board of Directors are normally held at the Registered office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all the information of the Corporation.



Indian Railway Catering and Tourism Corporation Ltd.

Details on attendance of Director's at the Board Meetings are given as under

S. No.	Category of Directorship	Name of Director	No. of Board Meetings attended	Attendance at last AGM
(I) Part-time Non-executive Chairman				
1.	Member Traffic, Railway Board	Shri Shriprakash (upto 31.12.2009)	3	Yes
		Shri Vivek Sahai (from 14.01.2010 to till date).	1	NA
(II) Functional Directors of the Corporation				
2.	Managing Director	Shri Rakesh Kumar Tandon	4	Yes
3.	Director (T & M)	Dr. Nalin Shinghal	4	Yes
4.	Director (CS)	Shri Vinod Asthana	3	Yes
5.	Director (Finance)	Shri Vishwa Ranjan Gupta	4	Yes
(III) Government Directors nominated by Ministry of Railway				
6.	Director	Shri Naresh Salecha	2	Yes
7.	Director	Shri Ashok Kumar	3	Yes
		Shri Sunil Mathur	1	No.
(IV) Independent part-time non-official Directors				
8.	Director	Shri Jagdeep Singh Chhokar	3	Yes
9	Director	Shri Alok Shivapuri	3	Yes
10.	Director	Shri R. N. Bhardwaj	3	No.
11.	Director	Shri R. K. Agrawal	4	Yes

Notes :

- (1) The term "part-time official" indicates the Government (Ministry of Railways) nominated Directors on the Board of IRCTC who are officials of Ministry of Railways.
- (2) The term "part-time non-official" indicates the Directors who are independent and do not hold any office in the Government.

During the financial year 2009-10 the Board of Directors met four times to transact the business with one meeting in each quarter ending June, 2009, September, 2009, December, 2009 and March, 2010. All the meetings of the Board of Directors were held at the registered office of the Company. In all cases of absence of Director, leave of absence was granted under clause (g) of sub-section (1) of Section 283 of the Companies Act, 1956. Details of the dates of the meeting of Board of IRCTC are mentioned below:

S. No.	Board Meeting	Date of Meeting
1.	42 nd	23 rd June, 2009
2.	43 rd	25 th August, 2009
3.	44 th	24 th November, 2009
4.	45 th	25 th March, 2010

Details of the directors on the Board of the Company for the financial year 2009-2010 are as under:

Number of the directorship and all committee memberships/ Chairmanships

Name	Category	Other Directorship (+)	Committee Memberships	Committee Chairmanships
Shri Shriprakash*	Part-time Chairman	2	Nil	Nil
Shri Vivek Sahai	Part-time Chairman	2	Nil	Nil
Shri Rakesh Kumar Tandon	Managing Director (Whole-time Director)	1	Nil	Nil
Dr. Nalin Shinghal	Director (Tourism & Marketing) (Whole-time director)	1	1	Nil
Shri Vinod Asthana	Director (Catering Services) (Whole-time Director)	Nil	Nil	Nil
Shri Vishwa Ranjan Gupta	Director (Finance) (Whole-time director)	Nil	Nil	Nil
Shri Naresh Salecha	Part-time Official Director (Government Nominee)	1	1	Nil
Shri Ashok Kumar*	Part-time Official Director (Government Nominee)	Nil	Nil	Nil
Shri Sunil Mathur*	Part-time Official Director (Government Nominee)	Nil	Nil	Nil
Smt. Mani Anand	Part-time Official Director (Government Nominee)	Nil	Nil	Nil
Shri Jagdeep Singh Chhokar	Part-time Non-official Director (Independent Director)	Nil	Nil	Nil
Shri Alok Shivapuri	Part-time Non-official Director (Independent Director)	Nil	Nil	Nil
Shri R. N. Bhardwaj **	Part-time Non-official Director (Independent Director)	11	7	5
Shri R. K. Agrawal,	Part-time Non-official Director (Independent Director)	1	1	Nil

* Ceased to be Directors during financial year 2009-10.

** Directorship in private limited companies is not included.



4. Audit Committee :

IRCTC firmly believes that ethics is the foundation stone of any business, and play a signification role for attainment of the long term corporate objectives and in value addition. In view of this, the Company has in place a qualified and independent Audit Committee of the Board of Directors, which includes all non-executive independent directors with expertise in the area of finance and management. The Committee contributed significantly towards performing the functions efficiently.

The following are the members of the Audit Committee as on date of report :

- (i) Shri Vinod Asthana, Director(CS)
- (ii) Shri Jagdeep S. Chhokar, Director
- (iii) Shri Alok Shivapuri, Director.
- (iv) Shri R. N. Bhardwaj, Director.
- (v) Shri R. K. Agrawal, Director.

Shri R. N. Bhardwaj is the Chairman of the Committee.

Shri Rakesh Gogia, Company Secretary is Secretary of the Committee.

The Committee acts in accordance with the terms of reference under Companies Act and guidelines of Corporate Governance laid down by Department of Public Enterprises. The scope of the Committee is to:

- Oversee the Company's financial reporting process and recommending to the Board;
- Appointment of internal auditor;
- Consider the half yearly and annual financial statements before submission to the Board for approval,
- Consider changes in accounting policies and practices with reasons thereof, significant adjustments made in financial statements;
- Discuss about qualifications in the draft audit report etc;
- Review about the adequacy of internal controls procedures.

The Committee met three times during the financial year 2009-2010 on 25.08.2009, 24.11.2009 and 09.03.2010. Attendance of the members of the committee is given below:

Member	Position	Meetings held	Meetings attended
Shri R. N. Bhardwaj	Chairman	3	3
Shri Vinod Asthana	Member	3	2
Shri Jagdeep S. Chhokar	Member	3	2
Shri Alok Shivapuri	Member	3	2
Shri R. K. Agrawal	Member	3	3

5. Remuneration of Directors

IRCTC, being a wholly owned Government Company under Companies Act, the Functional Directors of the Company are appointed by President of India through Ministry of Railways. The Functional Directors so appointed, draw remuneration under Industrial Dearness Allowance (IDA) pattern of pay scale and as per the terms and conditions issued by Government of India from time to time.

During the year 2009-10, the corporation has provided or made the following payments to Whole-time Directors:

(₹ in Lac)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Salary, allowances and perquisites	79.21	27.81
Gratuity	2.19	1.31
Leave Salary	3.34	2.97
FSC paid to Railways	2.82	0.64
Total	87.56	32.73

The part-time official (Government nominees) Directors on the Board of the Company do not draw any remuneration from the Company.

The part-time non-official (independent) Directors on the Board of the Company were paid a sitting fee of ₹ 5,000/- per meeting attended by them up to 24th March, 2009, thereafter, the sitting fee was enhanced to ₹ 10,000/- per meeting.

6. Disclosure

- There has not been any materially significant related party transaction having potential interest with the Company at large.
- No penalty has been imposed on the Company by any statutory authority owing to non-compliance under applicable laws, during the last three years.
- The Company has taken full initiatives to comply with the guidelines on Corporate Governance issued by Department of Public Enterprises (DPE). In accordance with the guidelines, IRCTC evolved a Code of Business Conduct and Ethics for its Board members and senior management personnel and has also included Corporate Governance and Management discussion and Analysis Report in the Directors Report for the financial year 2009-10.
- The Company has received Presidential directive regarding implementation of recommendation of the second pay revision committee, during the financial year 2009-10.
- All items of expenditure debited in the books of Accounts of IRCTC are for the purpose of Business entrusted to IRCTC and are related to Business.
- There are no personal expenses incurred for the Board of Directors except which are as per terms of appointment as contractual obligations.

7. Means of Communication

The audited annual financial results and Annual Report are displayed on IRCTC website, www.irctc.com. Tenders of various departments, details of tenders / contracts awarded Physical and Financial Plan of IRCTC alongwith other official news releases are also uploaded on the website of IRCTC. In line with the role as leading service provider like Catering service, Rail ticketing services etc. IRCTC took steps to improve Corporate Communication. The website was completely revamped and Hindi Version was added.

8. Training of Board Members :

IRCTC, as per the principles of Corporate Governance takes initiatives to train its Board members about IRCTC's business model, risk profile and the most appropriate ways, in which they can discharge their responsibilities. As a practice, on the joining of a new Director on the Board, the documents related to the Company are provided to him/her, including Annual reports, Memorandum and Articles of Association, MoUs between IRCTC and Ministry of Railways etc. The Company has also framed a Code of Business Conduct and Ethics for its Board members and senior management reflecting their duties.



9. Whistle Blower Policy :

At present, as per CVC guidelines, a mechanism has been established in the Company for all its employees and clients to report about any unethical behavior actual or suspected fraud to the CVO or the Managing Director directly.

10. Code of Business Conduct and Ethics:

As per the guidelines of Department of Public Enterprises, after approval of the Board of Directors of IRCTC, the Company has laid down its Code of Business Conduct and Ethics alongwith IRCTC's Key Value for the Board Members and Senior Management Personnel.

The Compliance of the Code of Conduct has been affirmed on the basis of confirmation received from the Board Members and Senior Management personnel for the financial year 2009-10.



ANNEXURE-IV to Directors Report

Balika Sharma & Associates

(Company Secretary)

Address : Flat No. 211, Pocket A / 3,
Sector-7, Rohini, New Delhi,
Pin Code -110085
Phone : 011-27931217
Mobile : 9811387946
Email : balikasharma@gmail.com

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members,
Indian Railway Catering and Tourism Corporation Limited

We have examined the compliance of conditions of Corporate Governance by **Indian Railway Catering and Tourism Corporation Limited**, for the year ended on **March 31, 2010** as stipulated in Guidelines on **Corporate Governance for Central Public Sector Enterprises, 2007**.

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 compliance with 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


Balika Sharma
Prop.

Company Secretary

C.P. No. 3222

M.No. 4816

Place: New Delhi

Date : 3rd September, 2010



Indian Railway Catering and Tourism Corporation Ltd.

S.P. MARWAHA & CO. CHARTERED ACCOUNTANTS

Head Office : 8-A/4, Western Extension Area, Karol Bagh,
New Delhi - 110 005; Phone : 25746813, 9313702220
E-mail : mljotwani@gmail.com
mljotwani@hotmail.com

AUDITOR'S REPORT

To,
The Members of
Indian Railway Catering and Tourism Corporation Limited

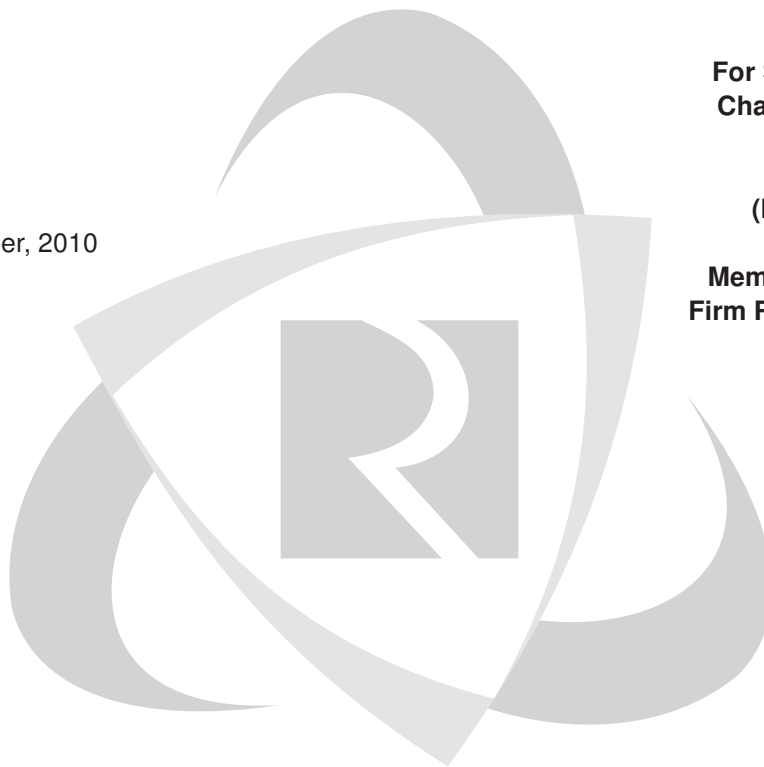
1. We have audited the attached Balance Sheet of INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED, as at 31st March 2010, Profit & Loss Account for the year ended on that date and Cash Flow Statement for the year ended on that date annexed thereto incorporating therein the accounts of Corporate Office, Internet Ticketing Office, Zonal Offices located at Mumbai, New Delhi, Chennai, Secunderabad and Kolkata, and Railneer Plants located at Nangloi (Delhi) and Danapur (Bihar) audited by us. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, Profit & Loss Account and Cash Flow referred to in this report are in agreement with the books of account.
 - (iv) The Company has informed that, in terms of Notification No. GSR 829 (E) dated 21/10/2003 issued by the Department of Company Affairs, the provisions of Section 274 (1)(g) of Companies Act, 1956 are not applicable to Government Companies.
 - (v) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section 3(C) of Section 211 of the Companies Act, 1956;

- (vi) In our opinion and as per the information and according to the explanation given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2010;
 - (b) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
 - (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place : New Delhi
Dated : 7th September, 2010

**For S.P. Marwaha & Co.
Chartered Accountants**

Sd/-
(M.L. Jotwani)
Partner
Membership No.9604
Firm Regn. No. 000229N





ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH 2010.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and location of fixed assets.
- (b) There is an adequate system of physical verification, once a year by the Management having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year by the management.
- (c) The company has not disposed off any substantial part of its fixed assets during the year.

We further suggest that assets should be numbered to ensure proper control.

2. (a) The Company has not accepted any loans during the year from the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not granted any loans during the year to the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
3. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods and services.
4. As explained to us, there were no transactions exceeding ₹ 5,00,000 or more with parties covered under Section 301 of the Companies Act, 1956, required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted public deposits governed under the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed thereunder.
6. An outside agency has carried out internal audit during the year. In our opinion, the internal audit system of the Company is commensurate with the size and nature of its business.
7. In our opinion and according to explanation given, Government of India has not prescribed the appointment of Cost Auditor.
8. According to information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Excise Duty, Cess, Service Tax and other applicable statutory dues with the appropriate authorities and there were no outstanding undisputed dues of statutory liability as at 31st March, 2010.
9. The company has not incurred cash loss in the current year and in the immediate preceding financial year and there are no accumulated losses in the balance sheet as on 31st March 2010.
10. The Company has raised a temporary loan of ₹ 1250 lac against the Fixed Deposit of ₹ 1441 lac during the year which were repaid, hence the question of default does not arise.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4 (xiii) of the Companies (Auditor's Report Order, 2003) is not applicable to the Company.
13. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report Order, 2003) is not applicable to the Company.

14. The Company has not given guarantees on behalf of its dealers and subsidiaries.
15. The Company has not taken any term loans during the year.
16. According to the information and explanations given, the Company has not borrowed any short-term borrowings for long-term use.
17. The Company has not made any preferential allotment of shares during the year.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by way of public issue during the year.
20. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

Place : New Delhi
Dated : 7th September, 2010

**For S.P. Marwaha & Co.
Chartered Accountants**

Sd/-
(M.L. Jotwani)
Partner
Membership No.9604
Firm Regn. No. 000229N





Indian Railway Catering and Tourism Corporation Ltd.

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Balance Sheet as at 31st March 2010

(₹ in Lac)

	Schedule	As at 31 st March 2010 Amount	As at 31 st March 2010 Amount	As at 31 st March 2009 Amount	As at 31 st March 2009 Amount
Sources of Funds					
Shareholders' Funds					
Share Capital	I		2,000.00		2,000.00
Reserves and Surplus	II		14,275.66		9,445.81
Deferred Tax Liability (net)			-		186.70
(Refer Note 19 in Schedule XXV)					
TOTAL			16,275.66		11,632.51
Application of Funds					
Fixed Assets					
	III				
Gross Block		12,683.74		7,636.09	
Less: Depreciation		4,613.58		3,423.54	
Net Block		8,070.16		4,212.55	
Add : Capital Work in Progress		759.99	8,830.15	995.84	5,208.39
Investments	IV		250.20		250.20
Deferred Tax Asset (net)			93.89		-
(Refer Note 19 in Schedule XXV)					
Current Assets, Loans and advances					
Interest accrued on Investments	V	0.12		0.12	
Inventories	VI	778.83		519.19	
Sundry Debtors	VII	23,231.94		23,972.02	
Cash and Bank Balances	VIII	19,800.43		13,732.94	
Other Current Assets	IX	472.41		448.04	
Loans & Advances	X	16,231.08		13,348.30	
		60,514.81		52,020.61	
Less: Current Liabilities and provisions					
	XI				
Current Liabilities		47,852.94		38,334.64	
Provisions		5,560.46		7,512.05	
		53,413.40		45,846.69	
Net Current Assets			7,101.42		6,173.92
Miscellaneous Expenditure to the extent not written off or adjusted			-		-
TOTAL			16,275.66		11,632.51

Significant Accounting Policies and
Notes to the Accounts XXV
Schedules I to XXV form an integral part of accounts

As per our report of even date attached

For S P Marwaha & Co. for and on behalf of Board of Directors

Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
M L Jotwani	Rakesh Kumar Tandon	V. R. Gupta	Rakesh Gogia
Partner	Managing Director	Director (Finance)	Company Secretary

M. No. : 9604

Firm Reg. No. : 000229N

Place : New Delhi

Dated : 7th September, 2010

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.
Profit and Loss Account
For the year ended 31st March 2010

(₹ in Lac)

	Schedule	For the Year ended 31 st March 2010 Amount	For the Year ended 31 st March 2009 Amount
Income			
Sales	XII	16,731.56	14,954.29
Income from Internet Ticketing & Call Centre	XIII	11,206.97	7,480.56
Income from Licencee Catering Services	XIV	36,791.40	34,102.21
Income from Tourism	XV	4,472.54	2,793.58
Interest Income on FDRs and TDRs (Gross)		1,541.78	1,159.93
(TDS ₹ 175.17 lac (Previous Year ₹ 212.41 lac))			
Other Income	XVI	1,452.38	1,386.11
A		72,196.63	61,876.68
Expenditure			
Materials Consumed	XVII	10,754.06	9,424.86
(Increase) / Decrease in Finished Goods	XVIII	(179.62)	4.85
Expenses of Licencee Catering Services	XIX	27,415.35	23,000.65
Expenses of Tourism	XX	4,128.72	2,510.38
Manufacturing & Direct Expenses	XXI	2,520.68	2,484.47
Human Resource Cost	XXII	12,712.76	12,117.96
Administrative, Selling & Distribution Expenses	XXIII	4,113.99	4,125.13
Miscellaneous Expenses Written off		-	-
Depreciation	III	1,254.73	1,010.36
B		62,720.67	54,678.66
Adjustments pertaining to earlier years	XXIV	-	(186.58)
Profit before tax	(A-B-C)	9,475.96	7,384.60
Less :			
Provision for Income Tax		3,451.33	2,741.91
Provision for Fringe Benefit Tax		-	64.85
Deferred Tax (Refer Note 19 in Schedule XXV)		(280.59)	(72.27)
Profit after taxation		6,305.22	4,650.11
Profit brought forward		954.11	893.22
Profit Available for appropriation		7,259.33	5,543.33
APPROPRIATIONS			
Dividend - Interim		400.00	400.00
- Final		861.05	531.00
Tax on Dividend		214.32	158.22
Transfer to General Reserve		4,500.00	3,500.00
Profit Carried to Reserve & Surplus (Balance Sheet)		1,283.96	954.11
Earning per share (Face Value of ₹10 per share)			
Basic (in ₹)		31.53	23.25
Diluted (in ₹)		31.53	23.25

Significant Accounting Policies and Notes to the Accounts XXV
 Schedules I to XXV form an integral part of accounts

As per our report of even date attached

For S P Marwaha & Co. for and on behalf of Board of Directors

Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
M L Jotwani	Rakesh Kumar Tandon	V. R. Gupta	Rakesh Gogia
Partner	Managing Director	Director (Finance)	Company Secretary

M. No. : 9604

Firm Reg. No. : 000229N

Place : New Delhi

Dated : 7th September, 2010



Indian Railway Catering and Tourism Corporation Ltd.

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Cash Flow Statement for the year ended 31st March, 2010

(₹ in Lac)

	2009-10		2008-09	
A. Cash Flow from Operating Activities				
Net Profit before tax and extraordinary Items	9,475.96		7,384.60	
Adjustments				
Depreciation	1,254.73		1,010.36	
Loss on Asset sold	13.68		8.75	
Miscellaneous Expenses written off	-		-	
Profit on Asset sold	-		-	
Interest Income	(1,541.78)		(1,159.95)	
<i>Total of Adjustments</i>	<u>(273.38)</u>		<u>(140.84)</u>	
Operating Profit before Working Capital Changes	9,202.58		7,243.76	
Working Capital Changes				
Decrease/(Increase) in Inventories	(259.64)		54.00	
Trade & Other Receivables	(4,454.38)		(7,516.55)	
Trade Payables & Provisions	10,319.61		6,182.84	
Cash Generated from Operation	<u>14,808.17</u>		<u>5,964.05</u>	
Miscellaneous Expenses (Deferred Revenue)	-		-	
Income Tax for Previous Year	-		-	
Direct Taxes Paid	<u>(4,102.67)</u>		<u>(2,042.88)</u>	
Net Cash from Operating Activities		10,705.50		3,921.16
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(5,076.92)		(2,272.37)	
Sale of Fixed Assets	10.71		12.93	
Investment in JV Company	-		(250.00)	
Interest Received	1,517.42		1,363.41	
Net Cash used in Investing Activities		<u>(3,548.79)</u>		<u>(1,146.03)</u>
C. Cash Flow from Financing Activities				
Dividend Paid (including Tax on Dividend)	<u>(1,089.22)</u>		<u>(719.52)</u>	
Net Cash from Financing Activities		<u>(1,089.22)</u>		<u>(719.52)</u>
Net Change in Cash & Cash Equivalents (A+B+C)		6,067.49		2,055.62
Opening Balance of Cash & Cash Equivalents		13,732.94		11,677.32
Closing Balance of Cash & Cash Equivalents		19,800.43		13,732.94

Notes:-

- Figures in bracket indicate cash outflow.
- Significant accounting policies and Notes to Accounts (Schedule XXV) form an integral part of the Cash Flow Statement.
- Previous year figures have been rearranged / regrouped wherever necessary to confirm to current year's classification.

For S P Marwaha & Co. for and on behalf of Board of Directors

Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
M L Jotwani	Rakesh Kumar Tandon	V. R. Gupta	Rakesh Gogia
Partner	Managing Director	Director (Finance)	Company Secretary

M. No. : 9604

Firm Reg. No. : 000229N

Place : New Delhi

Dated : 7th September, 2010

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Schedules annexed to and forming part of the Balance Sheet

(₹ in Lac)

	As at 31.03.2010 Amount	As at 31.03.2009 Amount
Schedule— I		
SHARE CAPITAL		
Authorised Capital		
5,00,00,000 Equity Shares of ₹10 each	<u>5,000.00</u>	<u>5,000.00</u>
(Previous year 5,00,00,000 Equity Shares of ₹ 10 each)		
Issued,Subscribed & Paid-up Capital		
20,00,00,000 Equity Shares of ₹10 each		
fully paid-up	2,000.00	2,000.00
(Previous year 20,00,00,000 Equity Shares of ₹ 10 each		
fully paid up)	<u>2,000.00</u>	<u>2,000.00</u>
Schedule— II		
RESERVE & SURPLUS		
A. General Reserve		
Opening Balance	8,491.70	4,991.70
Add : transferred from Profit & Loss Account	4,500.00	3,500.00
	<u>12,991.70</u>	<u>8,491.70</u>
B. Profit & Loss a/c		
Opening Balance	954.11	893.22
Add : transferred from Profit & Loss Account	329.85	60.89
	<u>1,283.96</u>	<u>954.11</u>
Reserve & Surplus (A + B)	<u>14,275.66</u>	<u>9,445.81</u>



Schedule—III

(i) Fixed Assets

(₹ in Lac)

PARTICULARS	Gross Block				Depreciation				Net Block	
	Original Cost As at 01.04.2009	Additions during the year	Deletions/ Sales During the year	Original Cost As at 31.03.2010	Upto 01.04.2009	For the year 2009-10	Depreciation on deletions/ Sales	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land leasehold *	61.28	-	-	61.28	-	-	-	-	61.28	61.28
Lease hold - Office Development	568.42	185.37	2.55	751.24	199.28	94.79	-	294.07	457.17	369.14
Building - Factory - Leasehold	354.00	-	-	354.00	58.17	11.81	-	69.98	284.02	295.83
Building - Office - Leasehold	69.77	-	-	69.77	6.19	1.13	-	7.32	62.45	63.58
Plant & Machinery	1,321.20	281.64	-	1,602.84	425.70	142.10	-	567.80	1,035.04	895.50
Tools & Plants	0.88	-	0.64	0.24	-	-	-	-	0.24	0.88
Computers	2,725.26	361.53	38.55	3,048.24	1,779.67	466.56	31.90	2,214.33	833.91	945.59
Furniture & Fixtures	508.59	48.55	12.79	544.35	253.14	61.26	11.00	303.40	240.95	255.45
Office Equipments	667.19	289.23	37.21	919.21	242.02	197.15	21.66	417.51	501.70	425.17
Air Conditioners	199.05	15.38	0.52	213.91	62.68	20.16	0.13	82.71	131.20	136.37
Lease hold - Residential Flats	248.50	-	-	248.50	2.50	8.28	-	10.78	237.72	246.00
Intangible Assets	911.95	148.64	-	1,060.59	394.19	231.57	-	625.76	434.83	517.76
Luxury Tourist Train	-	3,809.57	-	3,809.57	-	19.92	-	19.92	3,789.65	-
Total	7,636.09	5,139.91	92.26	12,683.74	3,423.54	1,254.73	64.69	4,613.58	8,070.16	4,212.55
Previous Year	6,137.97	1,544.65	46.53	7,636.09	2,438.03	1,010.36	24.84	3,423.54	4,212.55	3,699.95

(ii) Capital Work in Progress

(₹ in Lac)

Particulars	As at 31st March 2010	As at 31st March 2009
Budget Hotel Project	29.16	25.77
Internet Ticketing Office	6.41	-
Rail Neer Plant - Nangloi	3.96	-
Rail Neer Plant - Chennai	652.49	183.58
Railneer -West Zone	13.00	7.49
Railneer-Danapur	43.00	-
RR-Ahmedabad	4.99	-
VRR-Chennai	0.72	-
Base Kitchen-Chennai	1.25	-
Cell Kitchen -Bangalore	5.01	-
Corporate office	-	779.00
Total (ii)	759.99	995.84
Previous Year	995.84	90.58
Total of Fixed Assets (i) + (ii)	8,830.15	5,208.39

Notes : *

IRCTC has taken leasehold land from Govt. of Orissa for setting up of Budget Hotel near Bhudneshwar Railway Station for a period of 99 years.

Schedules annexed to and forming part of the Balance Sheet

(₹ in Lac)

	As at 31.03.2010 Amount	As at 31.03.2009 Amount
Schedule - IV		
INVESTMENTS		
Long Term Investments		
Investment in Joint Venture Equity		
Royale Indian Rail Tours Ltd. (25,00,000 shares		
@ ₹10 Per Share)	250.00	250.00
- Non Trade, At Cost		
NSC VIIIth issue 6 Years (Pledged with Sales		
Tax Office as Security)	0.20	0.20
	250.20	250.20
CURRENT ASSETS, LOANS AND ADVANCES		
Schedule— V		
Interest Accrued on Investments		
Interest Accrued but not due on NSCs	0.12	0.12
	0.12	0.12
Schedule— VI		
INVENTORIES		
(AS TAKEN, VALUED AND CERTIFIED BY		
MANAGEMENT)		
Raw Material	200.79	120.78
Finished Goods	426.78	241.65
Trading Goods-PD Items	151.26	156.76
	778.83	519.19
Schedule— VII		
SUNDRY DEBTORS		
(Unsecured considered good for recovery		
by the management)		
- Debts outstanding for a period exceeding		
six months		
Considered Good	15,108.50	14,975.11
Considered Doubtful	68.34	1.20
(a)	15,176.84	14,976.31
- Other Debts		
Considered Good	8,123.44	8,996.91
Considered Doubtful	-	-
(b)	8,123.44	8,996.91
Total	(a)+(b) 23,300.28	23,973.22
Less : Provision for Doubtful Debts	68.34	1.20
	23,231.94	23,972.02
Schedule— VIII		
CASH & BANK BALANCES		
(i) Cash in Hand	111.64	144.37
(ii) Remittance in Transit	2.00	7.00
(iii) Balance with Scheduled Banks in Current Accounts	2,671.30	1,948.31
(iv) Balance with Scheduled Banks in Fixed & Term Deposits	17,015.49	11,633.26
₹8.24 lac- has been kept as margin money		
against bank guarantee, Previous Year ₹21.06 Lac)		
	19,800.43	13,732.94
Schedule— IX		
OTHER CURRENT ASSETS		
Interest Accrued but not due on Fixed & Term	472.41	448.04
Deposits with Scheduled Banks		
	472.41	448.04



Indian Railway Catering and Tourism Corporation Ltd.

Schedules annexed to and forming part of the Balance Sheet

(₹ in Lac)

		As at 31.03.2010 Amount	As at 31.03.2009 Amount	
Schedule - X				
LOANS & ADVANCES				
(Unsecured considered good for recovery by the management)				
Advances Recoverable In Cash or in kind or for value to be received				
Considered Good	2,341.56		1,199.04	
Considered Doubtful	-		-	
	2,341.56	2,341.56	1,199.04	1,199.04
Capital Advance to Indian Railways for Construction of Flats & Land		869.34		678.33
Security & Other Deposits :				
- with Government / Statutory Bodies	8,622.90		4,682.14	
- with Others	26.82	8,649.72	19.45	4,701.59
Advance Tax including TDS		4,301.39		6,470.51
Advance Fringe Benefit tax		0.43		143.01
Prepaid Expenses		68.64		155.82
		16,231.08		13,348.30
Schedule-XI				
CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
(i) Sundry Creditors				
For Goods	1,001.13		3,239.79	
For Expenses	9,088.78		6,685.59	
(Amount due to SSI Nil)				
(ii) Deposits from suppliers & Licencee				
Security Deposits	7,716.32		4,909.82	
Earnest Money Deposit	2,124.64		2,466.75	
(iii) Unexpired Concession Fee, Licence Fee & User Charges				
Unexpired Concession Fee	2,943.69		4,515.74	
Unexpired Licence Fee	7,398.27		5,592.98	
Unexpired User Charges	23.64		22.62	
(iv) Advances Received from Customers	175.92		848.68	
(v) Other Current Liabilities				
Other Liabilities	16,981.96		9,805.28	
Taxes Payables	398.59	47,852.94	247.39	38,334.64
B. Provisions				
Proposed Dividend	861.05		531.00	
Provision for Dividend Tax	146.34		90.24	
Provision for Income Tax	3,451.33		6,271.79	
Provision for Fringe Benefit Tax	-		142.57	
Provision for Retirement Benefits	1,101.74	5,560.46	476.45	7,512.05
Total A + B		53,413.40		45,846.69

Schedules annexed to and forming part of the Profit & Loss Account

(₹ in Lac)

	For the Year Ended 31.03.2010 Amount	For the Year Ended 31.03.2009 Amount
INCOME		
Schedule—XII		
SALES		
1) Rail Neer (Packaged Drinking Water)		
Sales (Gross including Excise Duty but excluding Sales Tax)	2,518.75	1,566.18
Less : Excise Duty	<u>291.73</u>	<u>287.71</u>
2) Departmental Catering -		
Sales of Food & Beverages	14,115.89	13,496.74
Income from Bedroll & Cleaning	—	117.73
Income from outdoor Catering	<u>388.65</u>	<u>61.35</u>
Total (1 +2)	<u>16,731.56</u>	<u>14,954.29</u>
Schedule—XIII		
INCOME FROM INTERNET TICKETING & CALL CENTRE		
Service Charges Earned - IR Tickets	11,124.90	7,430.56
Income from Licence Fee- Call Centre	75.00	50.00
Income from Messaging Service	<u>7.07</u>	<u>—</u>
	<u>11,206.97</u>	<u>7,480.56</u>
Schedule—XIV		
INCOME FROM LICENCEE CATERING SERVICES		
A. INCOME FROM CATERING & COMPREHENSIVE SERVICES PROVIDED		
Income from On Board Catering Services- Rajdhani & Shatabdi Trains	15,329.00	13,899.55
Income from Bedroll & Cleaning	<u>1,780.75</u>	<u>2,405.68</u>
	<u>17,109.75</u>	<u>16,305.23</u>
B. INCOME FROM CONCESSION FEE, LICENCEE FEE ETC.		
Income from Concession Fee	1,770.70	1,875.55
Income from Licence Fee	16,480.85	14,675.86
Income from User Charges-Food Plaza	418.71	394.87
Income from Licence Fee-Food Plaza	<u>1,011.39</u>	<u>850.70</u>
	<u>19,681.65</u>	<u>17,796.98</u>
Total (A+B)	<u>36,791.40</u>	<u>34,102.21</u>
Schedule—XV		
INCOME FROM TOURISM		
Travel & Tour Income	4,338.07	2,681.99
Income from User Charges-Rail Yatri Niwas	<u>76.71</u>	<u>71.69</u>
Income from Licence Fee-Rail Yatri Niwas	<u>57.76</u>	<u>39.90</u>
	<u>4472.54</u>	<u>2793.58</u>
Schedule—XVI		
OTHER INCOME		
Interest on Investments	—	0.02
Interest Income Others	0.27	15.15
Income from Advertisement/SBI Cobranded Cards & Loyalty Cards	513.52	490.39
Income from fees from IATA/RTSA/Internet Café etc.	569.37	288.00
Income from Vending	73.17	114.01
Excess Provision Written Back	8.21	76.87
Countermanding Charges & Security Deposit forfeited	0.45	3.53
Income Accrued on Forfeiture of contracts	2.37	151.58
Sale of Tender Forms	23.73	25.99
Miscellaneous Income	<u>261.29</u>	<u>220.57</u>
	<u>1,452.38</u>	<u>1,386.11</u>



Indian Railway Catering and Tourism Corporation Ltd.

Schedules annexed to and forming part of the Profit & Loss Account

(₹ in Lac)

	For the Year Ended 31.03.2010 Amount	For the Year Ended 31.03.2009 Amount
EXPENDITURE		
Schedule—XVII		
MATERIALS CONSUMED		
1) Rail Neer (Packaged Drinking Water)		
Opening Stock	32.07	28.56
Add : Purchases and Expenses	1,544.37	1,137.08
	1,576.44	1,165.64
Less : Closing Stock	59.70	32.07
	1,516.74	1,133.57
2) Departmental Catering		
a) Raw Material Consumed		
Opening Stock	88.71	141.38
Add : Purchases	4,374.69	3,664.89
	4,463.40	3,806.27
Less : Closing Stock	141.09	88.71
	4,322.31	3,717.56
b) Purchases of PD items for resale	4,915.01	4,573.73
Total (1+2)	10,754.06	9,424.86
Schedule—XVIII		
(INCREASE) / DECREASE IN FINISHED GOODS		
Rail Neer - Packaged Drinking Water		
Opening Stock -		
Finished Goods	240.93	216.36
	240.93	216.36
Closing Stock -		
Finished Goods	426.76	240.93
	(185.83)	(24.57)
Departmental Catering		
Opening Stock -		
Finished Goods	0.72	0.86
PD Items	156.77	186.04
	157.49	186.90
Closing Stock -		
Finished Goods	0.02	0.72
PD Items	151.26	156.77
	151.28	157.49
	6.21	29.41
	(179.62)	4.85
Schedule—XIX		
EXPENSES OF LICENCEE CATERING SERVICES		
A. EXPENSES OF CATERING & COMPREHENSIVE SERVICES PROVIDED		
On Board Catering Charges- Rajdhani & Shatabdi Trains	15,329.00	13,899.55
Service Charges - Bedroll & Cleaning	1,780.75	2,405.68
VAT Expenses	3,372.00	—
	20,481.75	16,305.23
B. EXPENSES OF CONCESSION FEE, LICENCEE FEE, HAULAGE, ETC.		
Concession Fee	265.60	281.53
Licence Fee	3,095.37	2,913.44
User Charges -Food Plaza	167.48	157.95
Licence Fee -Food Plaza	404.56	342.02
Haulage Charges	3,000.00	3,000.00
Licence Fee Paid Railway Land - Food Plaza	0.59	0.48
	6,933.60	6,695.42
Total (A+B)	27,415.35	23,000.65

Schedules annexed to and forming part of the Profit & Loss Account

(₹ in Lac)

	For the Year Ended 31.03.2010 Amount	For the Year Ended 31.03.2009 Amount
Schedule—XX		
EXPENSES OF TOURISM		
Travel & Tour Expenses	3,988.60	2,418.11
Licence Fee - Rail Yatri Niwas	14.44	9.98
User Charges - Rail Yatri Niwas	19.17	17.92
Licence Fee Paid Railway Land - Rail Yatri Niwas	0.04	0.04
Maintenance & Other Charges	106.47	64.33
	4,128.72	2,510.38
Schedule—XXI		
MANUFACTURING AND DIRECT EXPENSES		
a) Rail Neer (Packaged Drinking Water)		
Operation & Maintenance Chgs	313.72	228.47
License fee Railway Land	23.62	29.43
Power & Fuel	166.75	134.65
Repair & Maintenance - Plant & Machinery	2.83	7.19
Repair & Maintenance - Others	5.16	3.24
Other Direct Expenses	14.81	5.28
	526.89	408.26
b) Departmental Catering		
Packing Material, Grinding, Repair & Other Expenses	—	2.88
Freight Inward Loading & Unloading-Catering	8.93	5.10
Food Inspection Expenses	0.04	2.64
Fuel	581.53	760.60
Bedroll & Cleaning Service Charges	31.83	199.86
	622.33	971.08
c) Internet Ticketing		
Maintenance & Other Charges	688.56	662.36
Loyalty Card Issue Expenses	30.69	24.58
Internet Usage Charges	652.21	418.19
	1,371.46	1,105.13
Total (a+b+c)	2,520.68	2,484.47
Schedule—XXII		
HUMAN RESOURCE COST		
A Directors :		
Director's Salaries, Allowances, Provident Fund, Performance Award, Provision for Accrued Leave, Pension and Gratuity	87.56	32.73
	87.56	32.73
B Others :		
Salaries, Allowances, Performance Award, Reimbursements, Provision for Bonus and Accrued Leave Salary :		
- Departmental Catering Employees	7,943.06	8,257.51
- Others	1,715.71	1,805.00
Contribution to Provident Fund, Gratuity and Pension Funds :		
- Departmental Catering Employees	1,195.90	970.38
- Others	100.11	85.68
HRD & Training Expenses	23.41	35.75
Recruitment Exp.	5.41	5.30
Staff Welfare Expenses	38.10	79.59
Payment to Consultants	286.28	193.57
Manpower Support Charges	1,236.69	577.27
Stipend to Trainees	80.53	75.18
	12,625.20	12,085.23
Total (A+B)	12,112.76	12,117.96



Indian Railway Catering and Tourism Corporation Ltd.

Schedules annexed to and forming part of the Profit & Loss Account

(₹ in Lac)

	For the Year Ended 31.03.2010 Amount	For the Year Ended 31.03.2009 Amount
Schedule—XXIII		
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES		
A ADMINISTRATIVE EXPENSES		
Security Charges	58.71	58.54
Local Conveyance Expenses	193.93	202.76
Travelling Expenses:		
Directors - Inland	19.54	8.96
Others - Inland	421.45	280.95
Directors - Foreign	3.11	2.20
Others - Foreign	26.29	26.05
Office and Repair Expenses	246.01	297.92
Rent Rates & Taxes:		
Office Rent	579.23	581.93
Duty, Rates & Taxes	40.46	25.17
Electricity & Water Charges	123.30	104.05
Bank Charges	25.24	32.01
Books & Periodicals	22.76	11.34
Insurance Expenses	24.90	27.27
Postage & Courier Charges	27.82	30.10
Printing & Stationery	139.51	139.72
Telephone Expenses	195.29	200.07
Internet & Leased Line Expenses	4.39	2.18
Miscellaneous Expenses	36.08	31.80
Subscription & Membership Fee	11.45	11.61
Donation	3.72	216.05
Meeting & Seminar Expenses	23.77	14.66
Auditors' Remuneration	4.58	2.72
Auditors Out of Pocket Expenses	3.55	4.07
Internal Audit Expenses	4.65	—
Interest paid - others	5.25	9.69
Legal & Professional Expenses	178.29	143.43
ERP Maintenance Charges	166.11	146.85
Processing Fees	2.69	—
Loss on Sale/Discard of Fixed Assets	13.68	8.75
	2,605.76	2,620.85
B SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses	374.81	332.86
Business Development Expenses	59.47	128.26
Commission paid to Vendors	455.55	445.58
Customer Satisfaction Survey Expenses	29.00	40.00
Freight Outward & CFA Charges	408.27	315.01
Postage & Courier Charges	114.00	238.52
Bad Debt Written Off	—	2.85
Provision for Doubtful Debts	67.13	1.20
	1,508.23	1,504.28
Total (A+B)	4,113.99	4,125.13
Schedule—XXIV		
ADJUSTMENT OF PRIOR PERIOD INCOME / EXPENDITURE (NET)		
Prior-period Income	—	250.61
Prior-period Expenses	—	64.03
	—	(186.58)

SCHEDULE NO. XXV

SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

METHOD OF ACCOUNTING:-

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

USE OF ESTIMATES

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

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, AVMS, 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.

1. Sales:-

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

2. Income from Internet Ticketing: -

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

3. 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.

(a) Income from Onboard Catering Services:

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

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

The Corporation is receiving the income from the following: -



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Sr. No.	Nature of business activity	Nature of Fee received from licensees
1.	Awarding license for providing Catering Services on Rajdhani and Shatabdi Express Trains.	One time Concession Fee for the contract period (including renewal period, if any), and Variable License Fee.
2.	Award of license for arranging catering services on Mail/ Jan Shatabdi /Express Trains.	(i) One Time Concession Fee for the contract period (including renewal period, if any), and Fixed Annual License Fee for trains awarded prior to Catering policy, 2005. (ii) Fixed Annual License fee as per Catering Policy, 2005 and revised Catering Policy, 2005 of Ministry of Railway.
3.	Award of license for setting up of Food Plaza and operation thereof at the Indian Railway premises.	(i) Fixed Monthly User Charges and Variable License Fee in case of contracts awarded under earlier IRCTC Policy. (ii) Fixed Annual License fee in case of contracts awarded as per Catering Policy, 2005 and revised catering policy, 2005 of Ministry of Railway.
4	Award of License for Automatic Vending Machines at Railway Stations.	(i) One time Concession fee for the contract period (including renewal period, if any), and Variable prescribed License Fee in case of contracts awarded under earlier IRCTC Policy. (ii) Fixed Annual License fee in case of contracts awarded as per Ministry of Railway Policy for AVMs.
5	Award of License for static units at Railway Stations.	(i) One time concession fee for the contract period (including renewal period, if any), and fixed licence fee in case of contracts awarded under IRCTC Policy. (ii) Fixed Annual License fee in case of contracts awarded as per Catering Policy, 2005 and Revised catering policy, 2005 of Ministry of Railway
6.	Award of license for Re-developing, Operation, Management and Transfer of Rail Yatri Nivas and Railway Hotels on Indian Railway premises	Fixed Annual User Charges and License Fee as per the agreement signed with the awardees.

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

- (i) **Concession fee:** Income is recognized on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) over the contract period as per proportionate completion method contained in Accounting Standard (AS-9) relating to revenue recognition. One time concession fee (Unexpired Concession Fee) received by the Corporation has been treated as income received in advance. In case the contracts for the trains are terminated on account of cancellation / withdrawal of the train by Railway Administration, income is recognized over the period, the contract was in force.

(ii) **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.

(iii) **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.

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

- (a) Up to the date of termination, the income is recognized in respect of concession fee over the contract period on monthly pro-rata basis and in case of License fee over the period the train has been in operation on monthly pro-rata basis.
- (b) Other income: Remaining balance of concession fee, License fee and Security Deposits on forfeiture of contracts are recognized as other income accrued during the year.

4. **Income from Package Tours: -**

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

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

5. **Interest Income from Fixed Deposits including TDRs: -**

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

6. **DUTY CREDIT LICENCE:**

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

EXPENDITURE: -

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

1. **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

2. **Expenditure on Internet ticketing: -**

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



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3. Catering Charges Paid:

(a) Onboard Catering Charges:

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

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

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

- i) **Concession Fee Paid:** Concession Fee payable to Indian Railway in respect of on board catering contract, AVMs, Static Units etc. is recognized on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) over the contract period. Payment of Unexpired Concession Fee to the Indian Railway 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.
- ii) **User charges Paid:** User Charges payable to Indian Railway in respect of Food Plazas and Budget Hotels are accounted for on accrual basis till the period projects were in operation.
- iii) **License Fee Paid: -**
 - (a) Fixed yearly license fees payable to Indian Railway 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 Railway is accounted on accrual basis as a fixed percentage of the catering services provided /sales made.
- iv) **Tourism Expenses: -**

The Cost of Ticket, other charges, if any, levied by the Indian Railway 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 Railway, Road Travel expenses and accommodation and meal charges etc are accounted on accrual basis.

4. PRIOR PERIOD EXPENSES :

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

FIXED ASSETS AND INTANGIBLE ASSETS: -

- (i) Fixed assets are stated at cost of acquisition including installation charges and other related expenses.
- (ii) In case of Computers the cost of Operating System software procured along with Computer has been capitalized with Computers, while regular upgrades and Annual Maintenance Charges; have been treated as revenue expenditure.
- (iii) Expenditure on the leased buildings for Office premises has been capitalized as Leasehold –Office Development.
- (iv) Intangible assets are recorded at the consideration paid for acquisition. The Software Development Charges, web portal, tourism portal expenditure, which was capitalized with Computers in earlier years, has now been capitalized under the head Intangibles as per the opinion of the Expert Advisory Committee of Institute of Chartered Accountants of India dated 9th January, 2009. Useful life of Intangible Assets has been assumed 4 Years.

- (v) The tools and plants placed at such catering units are taken on, as is where basis is. Due to non-availability of value of such assets, such assets are accounted at Nominal Value of 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.

CAPITAL WORK IN PROGRESS: -

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

DEPRECIATION: -

- (i) The Corporation is following the straight-line method of depreciation in respect of buildings and plant and machinery of Railneer Plants located at Nangloi and Danapur and intangible assets and written down value method in respect of other assets. Depreciation is provided at the rates as specified under schedule XIV of the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of put to use. Depreciation is provided up to the date of sale, discard and loss of the assets during the year.
- (ii) Individual assets whose actual cost of acquisition during the year does not exceed ₹ 5000/- (Rupees five thousand only) have been depreciated @ 100 % in terms of schedule XIV of the Companies Act, 1956.
- (iii) Leasehold-Office developments in respect of office premises and Leasehold land have been depreciated over the lease period.
- (iv) Useful life of the Intangible Assets has been assumed at four years and such assets have been depreciated @ 25 % per annum on straight line method.
- (v) The depreciation on Luxury Tourist Train has been arrived on following basis:
 - Coaches (Bare Shell) and Interior Furnishing has been taken @ 4.75% per annum and @ 13.58 % per annum respectively on straight line method with residual value remaining 5% of the original cost.
 - Depreciation on Air Conditioners has been taken @ 13.91% per annum on written down value with residual value remaining 5% of the original cost.
- (vi) In respect of Residential Flats constructed on leasehold land, depreciation is charged over the period of the lease of the land.

INVENTORIES: -

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

INVESTMENTS: -

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



EMPLOYEES BENEFITS:

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

GRANTS:

Grants relating to the acquisition of a specific asset are adjusted against the cost of the concerned asset. Grants relating to the revenue expenditure are adjusted against the related expenses

TAXATION: -

- (i) The corporation has accounted for deferred taxation in line with accounting standard (AS) 22 on "accounting for taxes on income" issued by the Institute of Chartered Accountant of India.

The deferred tax on timing differences between book profit and taxable profit for the year is accounted for applying the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

SUNDRY DEBTORS/ADVANCES: -

Sundry debtors/advances are stated after writing off debts considered as bad. Adequate provision is made for debts/advances considered doubtful.

IMPAIRMENT OF ASSETS:

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

FOREIGN CURRENCY TRANSACTIONS:

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

NOTES TO ACCOUNTS

1. CONTINGENT LIABILITIES:-

Claim against the Corporation pending appellate/judicial decisions.

(₹ in lac)

S. No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
a.	Income Tax	49.13	41.70
b.	Sales Tax/VAT*	—	3137.40
	Total	49.13	3179.10

Claim against the Corporation not acknowledged as debt

(₹ in lac)

S. No.	Particulars	As at 31st March, 2010	As at 31st March, 2009
a.	Service Tax	472.88	—
	Total	472.88	—

* Demand of ₹ 3137.40 Lac for VAT including interest & penalty were received from Delhi Value Added Tax Department. The same was challenged in the Hon'ble High Court at Delhi by way of a writ petition, whereby it was up held that providing of food and beverage to passengers on-board train is a transaction of sale, not a contract for providing service. The total liability on account of VAT workout to ₹ 7732.76 Lac. Moreover, a refund of ₹ 3813.56 lac is required to be claimed from Service Tax Department in view of above judgment. The Corporation is going to challenge the said judgment in Supreme Court by way of special leave petition. However, as a matter of prudent accounting policy, the Corporation has provided the liability of VAT after adjusting service tax for the F.Y. 2005-06 to 2009-10 amounting to ₹3919.20 Lac.

2. Estimated amount of Contracts remaining to be executed on capital account and not provided for amounts to ₹1000.70 Lac as against ₹ 3064.76 Lac in the previous year.

3. DIRECTORS REMUNERATION

(₹ in lac)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Salary, allowances and perquisites	79.21	27.81
Gratuity	2.19	1.31
Leave salary	3.34	2.97
FSC paid to Railways	2.82	0.64
Total	87.56	32.73

4. AUDITORS REMUNERATION

(₹ in lac)

Description	Year ended 31.03.2010	Year ended 31.03.2009
Statutory audit fee	2.54	1.82
Tax Audit Fee	1.27	0.90
In Other Capacity	0.77	—
Out of Pocket Expenses	1.64	1.52
Total	6.22	4.24



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5. PRODUCTION :

(i) Railneer- Packaged Drinking Water

(In. ,000)

Item Description	Unit	Location	Installed Capacity*		Production	
			2009-10	2008-09	2009-10	2008-09
Railneer Packaged Drinking Water	Bottles of 1000 ml	Nangloi	33354	21582	31940	21110
		Danapur**	24534	21582	22276	16886
Total			57888	43164	54216	37996

* The installed capacity is based on three-shift basis for 327 Days.

** Installed Capacity of Rail Neer Plant, Danapur increased from 66000 bottles per day to 102000 bottles per day from Jan'2010.

(ii) Departmental Catering: -

The departmental catering units engaged in catering activities are preparing various cooked items as per the menu prescribed by Indian Railways. The said menu varies from one Zonal Railway to another Zonal Railway. Installed capacity for a particular prepared item is not ascertainable. Moreover, the items prepared are heterogeneous in nature, it is not possible to give break-up of each class of items produced/ prepared.

6. STOCKS AND TURNOVER :

(i) Railneer-Packaged Drinking Water :-

Year	Unit	Opening Stock		Closing Stock		Turnover	
		Qty (In ,000)	Value (₹ in Lac)	Qty (In ,000)	Value (₹ In Lac)	Qty (In ,000)	Value* (₹ in Lac)
2009-10	Boottles of 1000 ml	3909	240.93	6390	426.76	51735	2227.02
2008-09		3459	216.36	3909	240.93	37896	1278.47

* Sales exclusive of excise and sales tax.

(ii) Departmental Catering :-

Year	Unit	Opening Stock		Closing Stock		Turnover*	
		Qty (In ,000)	Value (₹ in Lac)	Qty (In ,000)	Value (₹ In Lac)	Qty (In ,000)	Value (₹ in Lac)
2009-10	NA	NA	157.48	NA	151.28	NA	14504.54
2008-09	NA	NA	186.90	NA	157.48	NA	13558.09

*included PD items purchased for resale. PD items are Proprietary Distribution items purchased, in the packed form, from the market and sold at Railway Stations such as Namkeen, Biscuits and Mineral Water etc.

(iii) Departmental Catering- Bedroll and Cleaning Services

Year	Unit	Opening Stock		Closing Stock		Turnover	
		Qty (In ,000)	Value (₹ in Lac)	Qty (In ,000)	Value (₹ In Lac)	Qty (In ,000)	Value (₹ in Lac)
2009-10	NA	NA	NA	NA	NA	NA	—
2008-09	NA	NA	NA	NA	NA	NA	117.74

Departmental catering units are engaged in supply of food and beverage to Railway Passengers at various stations, where the catering business is taken over by the Corporation, which are heterogeneous in nature. Hence it is not practicable to give quantitative breakup of each class of goods indicating quantities thereof for purchases, sales, opening and closing stocks.

The bedroll services have been withdrawn from the Corporation with effect from 1st August, 2007 vide letter No. 2006/TG-III/645/4 dated 01.08.2007 except for few trains managed through licensee due to contractual obligations, as the contracts were under the comprehensive services. Moreover, some of the Zonal Railways has not taken over the bedroll services in few trains. Due to the same, the income of ₹ 17.81 crore has been booked in this account.

7. Raw Material Consumed:

(i) Railneer

	Unit	2009-10		2008-09	
		Qty (In ,000)	Value (₹ In Lac)	Qty (In ,000)	Value (₹ in Lac)
Preform	Nos	55866	991.70	38483	739.96
Caps	Nos.	54982	164.67	38405	128.98
Label	Nos.	54656	66.99	39106	46.93
Cartons	Nos.	4603	278.64	3194	207.22
Bopp Tapes	Rolls	7	14.74	4	10.48
Total			1516.74		1133.57

(ii) Departmental Catering :-

	2009-10		2008-09	
	Qty (In ,000)	Value (₹ In Lac)	Qty (In ,000)	Value (₹ in Lac)
Raw Material consumed	N.A.	4322.31	N.A.	3717.56

The departmental units engaged in catering activities are consuming innumerable numbers of raw material items required for manufacturing of the cooked items prescribed in the menu by Indian Railways. The said menu varies from one Zonal Railway to another Zonal Railway. Similarly, the number of raw materials required will also vary. The items used as raw materials are heterogeneous in nature; it is not possible to give quantitative break-up of each class of items consumed.

8. Expenditure in Foreign Currency :- (₹ in lac)

Nature of Expenses	2009-10	2008-09
Foreign Travelling Expenses Directors	3.11	2.20
Foreign Travelling Expenses-others	26.29	26.05
Total	29.40	28.25

9. In the opinion of the Board of Directors, value of Current Assets, 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 Debtors including Railway Debtors and Creditors as stated in the Balance Sheet are subject to confirmation.

10. EMPLOYEE BENEFITS:

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

- (i) **Gratuity:** Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service of 5 years or more. The gratuity ceiling of ₹ 10 Lac has been considered for actuarial valuation.



Indian Railway Catering and Tourism Corporation Ltd.

- (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) **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.
- (iv) **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 2009-10 in terms of Government rules and regulations is charged to revenue on accrual basis.

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

(a) Actuarial assumptions

Sr. No.	Description	As at 31 st March, 2010	As at 31 st March, 2009
(i)	Discount rate(per annum)	8.30 %	7 %
(ii)	Mortality rate	LIC (94-96) duly modified.	LIC (94-96) duly modified.
(iii)	Withdrawal rates(per annum)		
	Up to 30 Years	3	3
	From 31 to 44 Years	2	2
	Above 44 Years.	1	1
(iv)	Estimated rate of return on plan assets	0	0
(v)	The estimate of future liability increases considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors		

(b) Actuarial Method

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

(c) Plan Assets.

(i) Changes in the fair value of plan assets

(₹ in Lac)

		Gratuity		Leave Encashment	
		31/03/2010	31/03/2009	31/03/2010	31/03/2009
a)	Fair value of plan assets at the beginning of the period	—	—	—	—
b)	Acquisition adjustment	—	—	—	—
c)	Expected return on plan assets	—	—	—	—
d)	Contributions	—	—	—	—
e)	Benefits paid	—	—	—	—
f)	Actuarial gain/(loss) on plan assets	—	—	—	—
g)	Fair value of plan assets at the end of the period	—	—	—	—

(ii) Fair value of plan assets

(₹ in Lac)

	Gratuity		Leave Encashment	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
a) Fair value of plan assets at the beginning of the period	—	—		
b) Acquisition adjustment	—	—		
c) Actual return on plan assets	—	—		
d) Contributions	—	—	—	—
e) Benefits paid	—	—	—	—
f) Fair value of plan assets at the end of the period	—	—	—	—
g) Funded status(Surplus)/ Deficit	249.67	104.64	567.81	371.81
h) Excess of actual over estimated return on plan assets	—	—	—	—

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

(₹ in Lac)

S. No.	Particulars	Gratuity	Leave Encashment
(i)	Present value of the Projected benefit obligations as at 1 st April, 2009	104.64	371.81
(ii)	Current Service Cost	43.74	189.27
(iii)	Interest Cost	7.19	25.94
(iv)	Actuarial gains(-)/losses(+)	98.03	(16.75)
(v)	Past Service Cost		
(vi)	Benefits paid	3.93	2.46
(vii)	Present Value of the projected benefit obligations as on 31 st March, 2010(i+ii+iii+iv-v-vi) (Amount recognized in Balance sheet).	249.67	567.81

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

The Company has not funded the gratuity liability. Therefore the reconciliation of the fair value of the assets and obligations could not been made out.

(f) Expenses recognized in the Statement of Profit & Loss Account for the year ended 31st March, 2010:

(₹ in Lac)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2009-10	2008-09	2009-10	2008-09
(i)	Current Service Cost	43.74	47.94	189.27	181.27
(ii)	Interest Cost	7.19	1.37	25.94	2.91
(iii)	Actuarial Gain(-)/ Losses(+)	98.03	32.16	(16.75)	136.69
(iv)	Past Service Cost	—	3.65	—	9.43
(v)	Expected return on plan assets	—	—	—	—
(vi)	Benefit paid	3.93	—	2.46	—
(vii)	Total(i+ii+iii+iv-v-vi)	145.03	85.12	196.00	330.30
(viii)	Employee Remuneration and benefits	—	—	—	—
	Charged to Profit and Loss Account	145.03	81.47	196.00	193.72
(ix)	Actual Return on Plan Assets	—	—	—	—



Indian Railway Catering and Tourism Corporation Ltd.

11. Prior Period Adjustments

(₹ in Lac)

Description	Year ended 31.03.2010	Year ended 31.03.2009
Income	—	250.61
Expenses	—	64.03
Net Prior Period Adjustments	—	(186.58)

12. In terms of the requirements of the Micro, Small and Medium Enterprises Development Act 2006, Based on the information available with the company there are no principle / Interest amounts due to Micro & Small Enterprises.
13. Tools and Plants of ₹ 0.24 Lac (Previous Year 0.88 Lac), which were accounted at Nominal Value of ₹ 1/- per item are lying with the Company. During the year, tools and plants valuing ₹ 0.64 Lac were returned to Railways.
14. During the year 2009-10, the sharing with various Zonal Railways has been made in terms of Memorandum of Understanding dated 17.01.2007, executed with the Ministry of Railways.
15. As per Accounting Standard-18-'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below:-

Nature of Relationship	Name of the related Party
Joint Venture	Royale Indian Rail Tours Limited
Key Managerial Personnel	(i) Shri Rakesh Kumar Tandon, Managing Director (ii) Dr. Nalin Shinghal, Director (T&M) (iii) Shri Vinod Asthana, Director (CS) (iv) Shri V.R. Gupta, Director (Finance)

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

(₹ In Lac)

Sr. No.	Nature of Transaction	Joint Venture		Key Management Personnel	
		As at 31 st March, 2010	As at 31 st March, 2009	As at 31 st March, 2010	As at 31 st March, 2009
(i)	Investments	250.00	250.00	—	—
(ii)	Advance Lease Rent	1904.79	389.50	—	—
(iii)	Sundry Creditors	370.06	—	—	—
(iv)	Managerial Remuneration	—	—	87.56	32.73

16. As per Accounting Standard-27-'Financial reporting of interest in Joint Ventures' issued by the Institute of Chartered Accountants of India, the Corporation's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture company, incorporated in India, are given below:

(₹ in Lac)

Sr. No.	Name of the Joint Venture Company	% of Corporation's ownership interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
1.	Royale Indian Rail Tours Limited	50 %	1423.95	1590.47	92.97	269.67	Nil	Nil

17. Pursuant to Accounting Standard (AS 28) impairment of Assets issued by the Institute of Chartered Accountants of India, the Corporation made an assessment on 31st March, 2010 for any indication of impairment in the carrying amount of Corporation's Fixed Assets. On the basis of such assessment, in the opinion of the management no provision for the impairment of Fixed Assets of the Corporation is required to be made during the year.

18. Pursuant to the Accounting Standard (AS 29) relating to Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March 2010 is as follows:-

(₹ in Lac)

Particulars	Provision for Bad and Doubtful Debts		Provision for Leave Encashment (Retirement Benefits)		Provision for Gratuity (Retirement Benefits)		Provision for Pension	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Opening Balance	1.20	7.90	371.81	41.51	104.64	19.51	0	0
Addition	67.13	1.20	198.46	330.29	148.96	85.12	284.17	0
Utilization	1.20	7.90	(2.46)	0	(3.93)	0	0	0
Reversal	0	0	0	0	0	0	0	0
Closing Balance	67.13	1.20	567.81	371.81	249.67	104.64	284.17	0

Note:

- (i) Provision for doubtful debts/advances is made on the basis of management's estimates.
(ii) Provision for retirement benefits is made on the basis of independent actuary's valuation.
(iii) Provision of Pension of ₹ 284.17 Lac(Previous Year NIL) has been made for the period Jan'07 to Mar'10 as DPE Circular no. 2/(70)/08-DPE (WC).
19. The Corporation has recognized deferred tax arising on account of timing differences, being the difference between taxable incomes and accounting income, that originates in one period and is capable of reversal in one or more period(s) in compliance with Accounting Standard (AS22) - Accounting for Taxes on Income issued by Institute of Chartered Accountants of India. The major components of the deferred tax liability and asset arising on account of timing difference as at 31.3.2010 are as follows:

(₹ in Lac)

Deferred tax liability on account of	As at 31 st March, 2010	As at 31 st March 2009
Difference between the written down value of assets as per books of accounts and Income tax Act, 1961	308.47	283.62
Total	308.47	283.62
Deferred tax Asset on account of		
Difference of Deferred Revenue Expenditure under Income Tax Act and Companies Act		
Loss on Assets	4.65	2.97
Provision for Doubtful Debts	23.23	0.41
Provision for Retirement Benefits	374.48	93.54
Total	402.36	96.92
Net deferred tax liability/(Asset)	(93.89)	186.70

20. 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. 1st November 2006. However, no written contract with regard to the same exists between IRCTC and licensees of catering stalls.

It has been noticed that many of the licensees are not paying license fee fixed on GDP basis and many of the licensees 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



Indian Railway Catering and Tourism Corporation Ltd.

as per Accounting Standard (AS-9) in respect of such licensee catering stalls on the basis of old licensee fees fixed by Indian Railways or amount actually received from licensees, whichever is higher.

21. 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.
22. IRCTC has taken land from Railways on lease basis for setting up of Railneer Plant at Nangloi and Danapur 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 and Danapur 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.
23. An amount of ₹ 3,000 Lac has been provided as haulage charge for the year 2009-10 in respect of Mobile Pantry Cars. (Previous Year ₹ 3,000 Lac).
24. Ministry of Railways vide letter no. 2006/LMB/09/03, dated 22.11.06 has directed that water charges for catering and vending units are required to be paid by IRCTC. No demand for water charges has been received from Ministry of Railways or Zonal Railways. Provision for Water charges for the departmental catering units is made on assumed basis as was the practice followed by the Zonal Railways @ 0.1 % of the sales turnover.

Provision for Electricity Charges for the departmental catering units, where the bills have not been received from respective Railways is being provided @ 2.5 % of a turnover.

25. Segment Reporting (AS-17) :

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

The corporation's operations predominantly relate to arranging:

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

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

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

Revenue and direct expenses in relation to segment are allocated based on items that are individually identifiable to the respective segment while the remainder of the costs are categorized as unallocated expenses. The management believes that it is not practical to provide segment disclosure to these expenses and accordingly these expenses are separately disclosed as unallocated and adjusted only against the total income of the Corporation. The overall percentage of such UN allocable 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 can not classify to segments, are shown as UN allocable assets/ liability. The overall percentage of such unallocable Assets/ Liabilities to total Assets/ Liabilities is not material.

For the Year ended 31.03.2010

(₹ in Lac)

Note:

1. Departmental Catering includes Non-Railway Catering.
2. Inter-segment sales are not taken into total revenue.



Indian Railway Catering and Tourism Corporation Ltd.

26. Earning Per Share

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

	2009-10	2008-09
Net Profit used as a numerator (₹ in Lac)	6305.22	4650.11
Number of Equity Shares used as denominator (Nos in Lac)	200	200
Earning Per Share-Basic (In ₹)	31.53	23.25
Earning Per Share-Diluted (In ₹)	31.53	23.25
Face Value Per Share (In ₹)	10.00	10.00

27. Following Agreements are yet to be executed in respect of :

Office premises located at 7th Floor and 9th Floor, Bank of Baroda Building.

Land for 2100 Sq.Mtr. for solar pond at Rail Neer plant at Nangloi.

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

5000 Sq. Mtrs. Land at Rail Neer Plant at Nangloi expired on 23.05.2003;

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

28. During the 2008-09, IRCTC had entered into an agreement with M/s Cox & Kings (India) Ltd. to form a joint venture company called "Royale Indian Rail Tours Limited" for operation and management of a Pan India Luxury Tourist Train, which has began commercial operation from 6th March 2010. The total cost of said train is ₹ 5046.57 Lac. The Tourism Ministry has sanctioned capital subsidy of ₹ 1237.00 Lac. Hence the Train has been capitalized in the books of IRCTC at ₹ 3809.57 Lac (Total Cost minus capital subsidy) . Pending the execution of lease agreement with RIRTL and few days of operations mainly for FAM trips during the year 09-10 , no income has been apportioned from advance lease rental .

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

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

Further, Railway Minister in her budget speech for FY 2010-11 has reduced service charges for booking e-tickets through IRCTC from ₹ 40 to ₹ 20 for AC classes and from ₹ 20 to ₹ 10 for Sleeper class. The estimated financial impact for the same would be decline in gross Internet Ticketing Revenue by ₹ 32 crore. These decisions of the Ministry of Railways will have adverse impact on financial position of the company during 2010-11.

30. As advised during last year Audit by Comptroller & Auditor General of India, A suitable mechanism has been devised to record the income and expenses of Call Centre separately.

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

32. Schedules I to XXV forms an integral part of the Balance Sheet and Profit & Loss Account.

For S P Marwaha & Co. for and on behalf of Board of Directors

Chartered Accountants

Sd/-

M L Jotwani

Partner

Sd/-

Rakesh Kumar Tandon

Managing Director

Sd/-

V. R. Gupta

Director (Finance)

Sd/-

Rakesh Gogia

Company Secretary

M. No. : 9604

Firm Reg. No. : 000229N

Place : New Delhi

Dated : 7th September, 2010

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Balance Sheet Abstract and Company's General Business Profile

BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No. : 101707 State Code : 55
Balance Sheet Date : 03/31/2010

II CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousand)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amount in ₹ Thousand)

Total Liabilities	Total Assets
6,968,906	6,968,906
i) SOURCES OF FUNDS	(Amount in ₹ Thousand)
Paid Up Capital	Reserve & Surplus
200,000	1,427,566
Share Application	Deferred Tax Liability
NIL	0
Secured Loans	Unsecured Loans
NIL	NIL
ii) APPLICATION OF FUNDS	(Amount in ₹ Thousand)
Net Fixed Assets	Investments
807,016	25020
Net Current Assets	Accumulated Losses
710,142	NIL
Misc. Expenditure	Deferred Tax Assets
NIL	9,389
	Capital Work in Progress
	75,999
IV PERFORMANCE OF COMPANY	(Amount in ₹ Thousand)
Turnover including other Income	Total Expenditure
7,219,663	6,272,067
Profit/Loss before Tax	Profit/Loss after Tax
947,596	630,522
Earning Per Share (in ₹)	Dividend Rate (% of Net Profit after Tax)
31.53	20.00%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY

Item Code
SERVICES : Licensee Catering
Internet Ticketing
Railneer
Tourism
Departmental Catering Business

Sd/-
Rakesh Kumar Tandon
Managing Director

Sd/-
Rakesh Gogia
Company Secretary



Indian Railway Catering and Tourism Corporation Ltd.



गोपनीय

सं./ No.RM/IRCTC/A/CS/2009-10/921

कार्यालय

प्रधान निदेशक, वाणिज्य लेखा परीक्षा

एवं पदेन सदस्य लेखापरीक्षा बोर्ड-III

नई दिल्ली

OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI

दिनांक /Date : 21 सितंबर 2010

सेवा में,

प्रबंध निदेशक

इंडियन रेलवे केटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड

नई दिल्ली।

विषय : 31 मार्च 2010 को समाप्त वर्ष के लिये इंडियन रेलवे केटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड, नई दिल्ली, के वार्षिक लेखों पर कम्पनी अधिनियम 1956 की धारा 619 (4) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं इंडियन रेलवे केटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड, नई दिल्ली, के वर्ष 2009-2010 की समाप्ति हेतु कंपनी अधिनियम 1956 की धारा 619(4) के अधीन लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित करता हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न यथोपरि

भवदीया
एम. के. विश्वास
(एम. के. विश्वास)
प्रधान निदेशक

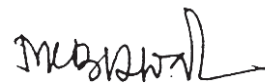
छठा एवं सातवाँ तल, एनेक्सी बिल्डिंग, 10, बहादुरशाह जफर मार्ग, नई दिल्ली - 110 002
6th & 7th floor, Annexe Building, 10, Bahadurshah Zafar Marg, NEW DELHI-110002
e-mail: mabnewdelhi3@cag.gov.in
Phone : 2329227, Fax : 23239211

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED, NEW DELHI, FOR THE YEAR ENDED 31 MARCH 2010.

The preparation of financial statements of Indian Railway Catering and Tourism Corporation Limited, New Delhi for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 7 September 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956, of the financial statements of Indian Railway Catering and Tourism Corporation Limited, New Delhi, for the year ended 31 March 2010. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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



(M. K. Biswas)

Principal Director of Commercial Audit &
& Ex-officio Member, Audit Board-III,
New Delhi

Place : New Delhi
Dated : 21 September 2010

TEN YEAR FINANCIAL HIGHLIGHTS

(₹ in Crore)

Sr. No.	Particulars	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
1	Total Income (including other income)	0.22	9.85	73.61	69.59	127.09	267.98	433.54	527.66	618.77	721.97
2	Expenditure (including increase/decrease in stock)	0.11	8.56	63.57	60.14	115.55	232.96	398.22	486.12	536.68	614.63
3	Operating Margin	0.11	1.29	10.04	9.45	11.54	35.02	35.32	41.54	82.09	107.34
4	Interest Expenses	0	0	0	0	0	0	0	0	0	0.03
5	Depreciation	0	0.03	0.90	3.03	3.61	3.39	5.32	8.28	10.10	12.55
6	Profit before Tax	0.10	1.25	9.14	6.42	7.93	31.63	30.00	33.26	73.85	94.76
7	Profit after tax	0.07	0.83	5.55	4.12	5.21	19.78	20.23	20.75	46.50	63.05
8	Dividend	0	0.20	1.20	1.00	1.00	4.00	4.00	4.15	9.31	12.61
9	Foreign Projects Reserve	0	0	0	0	0	0	0	0	0	0
10	General Reserve	0.07	0.20	2.50	2.50	2.50	14.00	12.00	16.00	35.00	45.00
11	Other Reserves	0	0	0	0	0	0	0	0	0	0
12	Reserve and Surplus	0.22	0.85	5.02	8.01	12.10	27.32	42.96	58.85	94.46	142.76
13	Net Fixed Assets(Gross Block)	0.03	0.36	4.11	22.80	25.33	31.01	41.61	61.38	76.36	126.84
14	Inventories	0	0	0	1.74	3.73	7.20	5.97	5.73	5.19	7.79
15	Foreign exchange earnings	0	0	0	0	0	0	0	0.45	30.85	13.48
16	Share Capital	5.23	20.23	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
17	Capital Employed	5.34	20.33	14.18	27.76	31.75	48.92	63.19	80.53	103.87	151.72
18	Government Investment	0	0	0	0	0	0	0	0	0	0
19	Net Worth	5.34	20.97	24.98	27.47	31.79	47.24	62.96	78.85	114.46	162.76
20	Profit before tax to Capital employed	1.87	6.15	64.46	23.13	24.98	64.66	47.48	41.30	71.10	62.46
21	Operating Margin to capital employed	2.06	6.35	70.80	34.04	36.35	71.59	55.89	51.58	79.03	70.75
22	Profit after tax to share capital	1.34	4.10	27.75	20.60	26.05	98.90	101.15	103.75	232.50	315.25
23	Expenditure to income	50.00	86.90	86.36	86.42	90.92	86.93	91.85	92.13	86.73	85.13
24	Number of employees	2	19	45	1318	2146	5616	5246	4963	3780	2645
25	Income per employee	0.11	0.52	1.64	0.05	0.06	0.05	0.08	0.11	0.16	0.27
26	Foreign exchange earning per employee	0	0	0	0	0	0	0	0.00	0.01	0.01
27	Current Ratio	13.98	2.59	1.22	1.13	1.16	1.14	1.13	1.12	1.13	1.13
28	Debt/ Equity Ratio	0	0	0	0	0	0	0	0	0	0
29	Investments	0	0	0	0	0	0	0	0	2.50	2.50





माननीय रेलमंत्री कु. ममता बनर्जी को वर्ष 2009-10 के लिए 4 करोड़ रु. के अंतरिम लाभांश का चेक देते हुए श्री राकेश कुमार टंडन, प्रबंध निदेशक/आईआरसीटीसी। चित्र में उनके साथ दिखाई दे रहे हैं तत्कालीन अध्यक्ष रेलवे बोर्ड श्री एस.एस. खुराना, श्री विवेक सहाय, सदस्य यातायात, रेलवे बोर्ड

Presentation of Cheque for interim dividend of Rs. 4 Crore for the year 2009-10 by Shri Rakesh Kumar Tandon, Managing Director/IRCTC to Hon'ble Minister for Railways, Km. Mamata Banerjee. Also seen in the picture are Shri S.S.Khurana, then CRB, Shri Vivek Sahai, Member Traffic, Railway Board etc.



ग्राहक केन्द्रित संस्कृति के सृजन एवं संगठन में उपयोगकर्ता केन्द्रित उत्कृष्ट पद्धति अपनाए जाने के लिए 26 मार्च, 2010 को वाई.एम.सी.ए., जयसिंह रोड, नई दिल्ली के ऑडिटोरियम में स्टेकहोल्डरों के साथ आयोजित बैठक का दृश्य। A meet with all the stakeholders was organized on 26th March, 2010 at Auditorium Hall, YMCA, Jai Singh Road, New Delhi to brainstorm on building customer centric culture and adopting best practices to bring user focus within the organization.



इंडियन रेलवे कैंटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड



इंटरनेट टिकटिंग सेवाओं के लिए माननीय केन्द्रीय वित्त मंत्री श्री प्रणव मुखर्जी से 'दि इंडिया प्राइड अवार्ड गोल्ड' का पुरस्कार प्राप्त करते हुए श्री राकेश कुमार टंडन, प्रबंध निदेशक/आई.आर.सी.टी.सी.।

Shri Rakesh Kumar Tandon, Managing Director /IRCTC receiving 'The India Pride Award-Gold' from Shri Pranab Mukherjee, Hon'ble Union Minister of Finance.



डॉ. मसाकी इमाई, जापान के क्वालिटी गुरु से भोजन संरक्षा एवं गुणवत्ता के अर्थशास्त्र पर पहल के लिए क्यूसीआई-डीएल शाह राष्ट्रीय पुरस्कार प्राप्त करते हुए श्री राकेश कुमार टंडन, प्रबंध निदेशक, श्री विनोद अस्थाना, निदेशक (खानपान सेवाएं) एवं श्री प्रेम नारायण, समूह महाप्रबंधक (पीएण्डक्यू)।

Shri Rakesh Kumar Tandon, Managing Director, Shri Vinod Asthana, Director (Catering Services) and Shri Prem Narayan, Group General Manager (P&Q) receiving QCI DL Shah National Award on Economics of Quality – for initiatives on food safety and Economics of Quality” from Dr. Masaki Imai, Quality Guru of Japan.



मध्यम श्रेणी के सार्वजनिक सेवा क्षेत्र के तहत श्री सलमान खुर्शीद, निगम मामलों के माननीय राज्यमंत्री से लागत प्रबंधन में उत्कृष्टता के लिए आईसीडब्ल्यूआई राष्ट्रीय गुणवत्ता पुरस्कार-2009 का प्रथम पुरस्कार प्राप्त करते हुए श्री राकेश कुमार टंडन, प्रबंध निदेशक/आईआरसीटीसी, उनके साथ दिखाई दे रहे हैं निदेशक वित्त श्री विश्वरंजन गुप्त।

Shri Rakesh Kumar Tandon, Managing Director /IRCTC receiving ICWAI National Quality Award for Excellence in Cost Management – 2009: First Prize under public service sector medium category from Shri Salman Khurshid, Hon'ble Minister of State for Corporate Affairs in presence of Shri V.R.Gupta, Director (Finance)/IRCTC



सीएनबीसी आवाज ट्रावेल अवार्ड-2010 के लिए महाराजा एक्सप्रेस को सर्वोत्तम लक्जरी ट्रेन का पुरस्कार दिए जाने के अवसर पर माननीय केन्द्रीय पर्यटन मंत्री कुमारी शैलजा को महाराजा एक्सप्रेस का स्कार्फ प्रदान करते हुए आईआरसीटीसी के प्रबंध निदेशक श्री राकेश कुमार टंडन।

Sh. Rakesh Kumar Tandon, Managng Director/IRCTC presenting Maharajas' Express Scarf to Kumari Selja, Hon'ble Minister for Tourism on the occasion of presentation of CNBC Awaaj Travel Award-2010 for the Best Luxury Train to the Maharajas' Express.


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