

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 2010-2011



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

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Board of Directors:

Chairman

Shri Vinay Mittal,
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 Vishwa Ranjan Gupta
Director (Finance)

Government Directors

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

Independent Directors

Shri R.N. Bhardwaj

Shri R.K. Agrawal

Audit Committee:

Chairman

Shri R.N. Bhardwaj,

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 Limited
15. Citi Bank
16. Axis Bank Limited
17. Standard Chartered Bank
18. Yes Bank
19. UCO Bank
20. Vijaya Bank
21. Federal Bank
22. Karnataka Bank Limited
23. IndusInd Bank Limited

**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,



Members

Shri Vinod Asthana,

Shri R.K. Agrawal

Company Secretary:

Shri Neeraj Kumar Aggarwal

Statutory Auditors:

M/S Bhushan Bensal Jain Associates,
Chartered Accountants,
New Delhi.

Railneer Plant, Danapur:

Loco Colony,
South of R.P.F. Barracks, Khagaul,
Danapur- 801 105 (Bihar)

Railneer Plant, Palur:

Palur Railway Station
Taluk- Chengalpattu
Dist- Kanchipuram
Tamilnadu- 603 101.

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-600 031.

South Central Zone :

2nd Floor, Am Sri Classic Complex,
Sarojini Devi Road,
Secunderabad-500 003

**INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED
TWELFTH ANNUAL GENERAL MEETING****CHAIRMAN'S SPEECH**

Dear Shareholders,

It gives me immense pleasure in extending my warm greetings to all of you at the Twelfth Annual General Meeting of the Corporation.

We have gathered here today to receive, consider and adopt the Balance Sheet as on 31st March, 2011, Profit and Loss Account for the year ended on that date and Report of Board of Directors and Auditors thereon. These documents are already with you and I take it that all of you have perused them.

I would now like to briefly mention the salient features of the Corporation's performance during the year 2010-11.

FINANCIAL PERFORMANCE:

- ✍ While the profit before tax in Financial Year 2011 was ₹ 129.79 crore as compared to ₹ 94.76 crore in Financial Year 2010, the net profit in Financial Year 2011 has come down to ₹ 60.79 crore as compared to the figures of ₹ 63.05 crore in Financial Year 2010. This is on account of higher provision for Income Tax.
- ✍ While revenue from Departmental Catering has gone up to ₹ 198.98 crore during 2010-11, i.e. by more than ₹ 50 crore as compared to previous fiscal, the losses have also been brought down from ₹ 74.74 crore to ₹ 55.47 crore in 2010-11. While this is encouraging, we have to strive for cutting down the losses further.

Some other financial performance indicators worth mention are as under:

- ✍ The net worth of the Corporation has reached ₹ 211.41 crore as on 31.03.2011.
- ✍ IRCTC after transfer of licensee catering business to Railways have gone down in contribution of revenue to IR but the increase in reserved tickets booking to ₹ 8007 crore as against ₹ 6011 crore in the last fiscal is encouraging.
- ✍ The accounts of the Corporation for the year ended 31st March 2011 have been audited by C&AG and no adverse comments have come in the Supplementary Audit.

Dividend

The Board of Directors has recommended to pay ₹ 14.13 crore as final dividend (including ₹ 1.97 crore dividend tax) for the year 2010-11. This works out to 70.65% of the paid up Equity Share Capital of the Corporation.



The Comptroller and Auditor General of India has conducted the supplementary audit on audited accounts of the Corporation for the year ended 31st March, 2011 under Section 619 (4) of Companies Act, 1956 and has offered NIL comments on the same.

OPERATIONAL PERFORMANCE:

Catering & Hospitality:

Under the new policy directives, the Mobile Catering business of the Corporation has reduced from 285 trains at the end of March'10, to 33 trains at the end of March'11.

Other than Food Plazas, all the licensee static units stand transferred to Railways except few residual units.

During the year, 7 more Food plazas/ Fast food units, taking the total to 85 became operational.

The Corporation has opened 24 units so far in other institutions. It has also entered into MOU with DMRC, BPCL and HPCL for opening kiosks as also Food Plazas in their areas, as a part of diversification.

Rail Neer:

During the year, the production of Rail Neer at Nangloi and Danapur was 3.28 crore and 3.12 crores bottles respectively as against installed capacity of 3.34 crores bottles at each plant.

Travel & Tourism:

Corporation's Tourism portal, www.railtourismindia.com, is a frequently visited site on the web and it showcases a wide range of Travel & Tourism products and services to meet the requirements of different segments of tourists.

Internet ticketing:

Average tickets sold per day through Corporation's website were 2,79,113 tickets during March, 2011, indicating the healthy growth over the previous fiscal. Corporation manages the enquiry services of Indian Railways known as Rail Sampark 139 on PPP basis.

FUTURE GROWTH STRATEGY

The Corporation is confident of harnessing its extensive capability in the fields of hospitality, tourism, E-commerce and packaged drinking water and is gearing up to excel in its diversified role.

Catering & Hospitality

Corporation is shortly opening a state of art Central Kitchen (Food Factory) at Noida with a capacity of about 25000 meals per day. The Corporation has further planned to diversify into related areas like - Food Factory, Facility Management, Food Parks, Budget Hotels, Motels, Hospitality Hubs, Hospitality institutes etc by harnessing the existing capabilities. Corporation is also exploring the field of Commercial catering at Malls, Business Centres, Institutional Catering etc.

Rail Neer

Another Packaged Drinking Water plant with a capacity of 2 lakh bottles/ day is being set up at Ambernath (Mumbai), which is likely to come up in FY 12-13.

Budget Hotels

The Corporation aims to set up Budget Hotels at all major Railway Stations on PPP basis to provide a Standard Clean accommodation at reasonable Price in the vicinity of the Station.

Tourism

Corporation is planning to further expand tourism business in the coming years by expanding existing business lines as well as development of new lines such as corporate travel as well as inbound travel services for individual travelers:

E- Commerce

The Corporation hopes to continue to provide the e-ticketing facility to the Railway passengers and grow further in this sector, aiming at 80% of all reserved tickets. With IATA accreditation received recently, the Corporation is also aiming to enter in air ticketing business.

PERFORMANCE REVIEW

The performance of Corporation in terms of MOU signed with the Government of India in the Ministry of Railways for the FY10 has been rated as 'Excellent'. This trend has to be sustained in future. In recognition of the excellent performance of the Corporation in various fields, a number of awards have been conferred on Corporation during the year.

RAJBHASHA

The Corporation continued its thrust on the official language implementation in-line with Govt. of India's Policy. Several steps have been taken to increase the use of Rajbhasha in the Corporation. The e-ticketing site is bilingual.

CORPORATE SOCIAL RESPONSIBILITY

The 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". An amount of ₹ 2.25 crore was earmarked by the Corporation for CSR Activities for the year 2010-11.

I, on my behalf and on behalf of the Board of Directors of the Corporation, place on record the valuable guidance provided and services rendered by the outgoing Chairman, Shri Vivek Sahai, Ex- Chairman and Member Traffic, Railway Board, Part-time Official Director, Shri Naresh Salecha, Executive Director F(C) and Part-time Non-Official Directors, Shri Jagdeep S. Chhokar and Shri Alok Shivapuri.



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 officers and staff as well as our associated agencies in the overall development and growth of the Corporation.

Thank you,

Sd/-

(VINAY MITTAL)
CHAIRMAN

Place: NEW DELHI

Date: 22nd September, 2011

DIRECTORS' REPORT

To

The Shareholders,

The Directors have the pleasure in presenting the Twelfth Annual Report and Audited Statement of Accounts of the Corporation for the financial year ended on 31st March 2011, together with the Auditors' Report and comments on the Accounts by the Comptroller and Auditor General of India (CAG).

1. FINANCIAL PERFORMANCE

During the year 2010-11, the Corporation achieved a total income of ₹ 764.93 Crore, a new record, as compared to ₹ 721.97 Crore in 2009-10 thereby registering a growth of approx. 6 %. Keeping in view the change in Licencee Catering Policy and reduction in service charges for internet bookings, the growth can be viewed with satisfaction.

Profit before tax of ₹ 129.79 Crore (a new record) was achieved during the year 2010-2011 as compared to ₹ 94.76 Crore in the previous year, thereby registering a growth of about 37%. This was achieved with several cost cutting measures, across the Corporation and particularly in the area of Departmental Catering where losses have been brought down to ₹55 crore as compared to ₹ 75 crore in the previous year. However, net profit has marginally come down from ₹ 63.05 Crore in 2009-10 to ₹ 60.79 Crore in 2010-2011 due to higher Income tax provision. An amount of ₹ 9.12 Crore has been provided towards Haulage Charges up to 20.7.2010 till the announcement of new Catering Policy 2010.

The Net Worth of the Corporation has crossed ₹ 200 Crore mark and is ₹ 211.41 Crore as on 31.3.2011 as compared to ₹ 162.76 Crore as on 31.3.2010.

Profit earned by the Corporation has been appropriated in the following manner:
(₹ in Crore)

Particulars/Year ending	31st March, 2011	31st March, 2010
Profit Before Tax	129.79	94.76
Provision For Tax	68.06	34.52
Deferred Tax	-	(2.81)
Profit after Tax	60.79	63.05
Profit brought forward	12.84	9.54
Transfer to Reserves	45.00	45.00
Dividend (Including Dividend Tax)	14.13	14.75
Profit carried forward to Balance Sheet	14.50	12.84



2. CONTRIBUTION TO REVENUES OF RAILWAYS:

During the year, the Corporation contributed a sum of ₹ 55.59 crore to the revenues of Indian Railways as against a sum of ₹ 82.28 Crore during the previous year. Contribution to the Revenues of Railways comprises Haulage Charges, Concession fee, License fee, User Charges and Dividend. In addition to the above, tickets worth ₹ 8007 Crore were booked during the year as against ₹ 6011 Crore during the previous year.

3. DIVIDEND

A dividend of ₹ 12.16 Crore (20 % of the Net Profit) excluding dividend tax is recommended for the year 2010-11, as against ₹ 12.61 crore (20% of net profit) paid in the previous year.

4. CAPITAL STRUCTURE

As on 31st March, 2011, paid-up share capital of the Corporation stood at ₹ 20 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.

5. BUSINESS PERFORMANCE

Main Business Segments/Activities of the Corporation are as under:

- I - Catering & Hospitality
- II- Internet Ticketing
- III- Travel & Tourism
- IV- Packaged Drinking Water (Rail Neer).

I - CATERING & HOSPITALITY

The Catering business of the Corporation has grown many folds over the years due to overall improvement in the existing Catering services. Most of the Catering Units were ISO certified.

New Catering Policy 2010 was issued on 21.7.2010 by the Ministry of Railways. The Policy stipulated transfer of Licensee Catering & Departmental Catering services to Railways except Food Plazas, Fast Food Units and Food Courts. While as on 31st March, 2011, most of Licensee Catering Units have been transferred to Railways, most of the Departmental catering is continuing with IRCTC till taken over by Railways.

(i) Mobile Catering

During the year, the Mobile Catering activities of the Corporation has come down from 285 trains at the end of 31.03.2010 to 33 trains as on 31.03.2011, which are all departmental trains.

IRCTC is providing catering in all newly introduced Duronto Trains. This is a challenging task since compulsory catering has been introduced in Sleeper Class for the first time on Indian Railways, as also due to infrastructural constraints on these trains.

(ii) Static Catering

In respect of Static Catering, the licensee Catering units have reduced from about 7000 units at the end of 31.03.2010 to about 250 units as on 31.03.2011, which are also in the process of being transferred to Railways.

As regards Departmental Units, all such units (approx 670) continue with IRCTC, to be transferred later in phases.

(iii) Book Stalls

Presently IRCTC is managing 1271 Book Stall Units at various railway stations on Indian Railways. Upgradation of Book Stalls and new allotments could not be undertaken since there is a stay granted by Hon'ble Supreme Court of India and Ministry of Railways has advised to maintain status quo in this regard.

(iv) Institutional Catering & Ministry Cafeteria

Besides railway catering, IRCTC has made a name for itself in various Institutions and Ministries by providing cafeteria facilities at their places on a reasonable & rational price structures. The Corporation has opened 2 such facilities, taking the total to 8, till March'11 end. Another 14 units have also been opened till August 2011. These Catering Units are fully air conditioned and have an enamoring ambience. The vegetarian and non vegetarian food which includes North Indian, South Indian, Chinese, Continental, Chaats, Snacks and Beverages are provided at reasonable prices and are widely appreciated. The food being served is of Highest Quality and adhere to ISO/HACCP standards.

(v) Budget Hotels

IRCTC is successfully running Four Hotels/Rail Yatri Niwas on PPP basis such as the Rail Yatri Niwas at New Delhi & Howrah and BNR Hotels in Ranchi and Puri (Rail Heritage Hotels). IRCTC has floated Expression of Interest setting up Budget Hotel at Bhubaneshwar, where State Government has allotted land to IRCTC.



QUALITY CONTROL SYSTEMS

IRCTC stringently adheres to HACCP/ISO 22000 and quality standards with the best in-house laboratory and R&D Center.

(i) Monitoring for HACCP compliance

Apart from senior officers having professional experience of providing catering services, the Quality Control Professionals have been deployed from all zonal offices and temporarily deployed at the various food production points to assure HACCP compliance.

(ii) Monitoring System -Customer Satisfaction Survey

The quality of Food & Service can be gauged adequately by the Customer Satisfaction Survey and IRCTC has been professionally conducting such surveys through Third Party agencies.

(iii) Food Safety Audit

Keeping in view the impact of food safety on public health, food safety audit is being conducted in IRCTC by lab testing at recognized centers through third party.

(iv) ISO Certification of Catering Units

Quality of catering services can be enhanced through various quality measures including ISO certification. IRCTC has been getting its Catering Units ISO certified through accredited agencies. Out of 158 Base Kitchens of licensees, 124 have already been covered under ISO certification. Licensee operated Base Kitchens have been transferred to Zonal Railways along with Mobile Units.

(v) Round the Clock Control Operation

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

II-INTERNET TICKETING:

The E-Ticketing Performance

E- ticketing has been one of the biggest success stories of e-governance and has revolutionized the way the common man deals with the railway. It has resulted in great benefits in terms of convenience, time & energy saving as well as transparency and reduction in corruption.

The rapid growth in E-ticketing has been possible not only because of the ease of the entire process for the customers but also due to a very robust process set up for doing e-reservation which facilitates bookings for all types of credit cards, most major debit cards, cash cards facility, Net Banking facility and five major payment gateways. This is also strengthened by an online instantaneous refund process. The common man, not having computer / net access, is also able to get the e-tickets through various outlets (approx. 1.5 lakh) across 500 cities & towns. To further help the passengers, the online process of booking during 8 to 9AM (the crucial booking hours) was restricted during the year only for direct passengers by prohibiting the agents. Several drives were also launched during the year so as to curb unauthorized practices in E-ticket bookings by unscrupulous people. The system of registration was also strengthened. An IT Anti Fraud Cell has also been set up during the year. The site was made more user friendly and also technologically advanced. Security & process Audits were got conducted through SQTC to identify vulnerabilities in the system & same were got rectified. The process is on going.

Internet Ticketing services continue to go from strength to strength. It is handling over 40% of the reserved train accommodation of Indian Railways. Recently we achieved a record of over 4 Lakhs tickets in a single day. The value of tickets booked has gone up to ₹ 8,007 Crore during the year 2010-11 as against ₹ 6,011 Crore during the previous year. Number of tickets booked (both E and I tickets) through IRCTC website during the year 2010-11 has gone up to 9.69 Crore tickets (17.42 crore passengers) as against 7.20 Crore tickets (12.92 crore passengers) booked during 2009-10.

The booking of railway tickets through internet is now available from 00:30 Hrs to 23:30 Hrs 365 days a year. IRCTC is in the process of further enhancement of the existing infrastructure to further improve services to the customers.

139 RAIL SAMPARK

IRCTC manages the enquiry services of Indian Railways known as **Rail Sampark 139 (Integrated Train Enquiry System of Indian Railways)** on PPP basis. In 2010-11, 24.68 crore voice calls and 2.61 crore SMS were handled as compared to 23.11 crore voice calls and 1.25 crore SMS in 2009-10.

III. TRAVEL & TOURISM

IRCTC offers a wide range of Travel & Tourism products and services to meet the requirements of different segments of tourists. These include Bharat Darshan tourist trains, Bharat Tirth trains, Educational Tours, Mahaparinirvan Express Buddhist Circuit Special Train, Rail and Land Tour Packages, Chartered Trains & Coaches, Hill Charters, Luxury Tourist Train, Cab Rental Services, On-line hotel booking services, Online Air ticketing and Budget Hotels.

Travel & Tourism Business generated an income of ₹ 67.04 Crore in the year 2010-11 as compared to ₹ 44.72 crore in the year 2009-10 recording a growth of 50%.



Bharat Darshan Tourist Train (*Village on Wheels*):

IRCTC operates Bharat Darshan tourist trains for the budget segment where the traveler gets to see India at a price of ₹ 500/- a day including rail travel, road travel, meals, sightseeing, accommodation and insurance. 60 Bharat Darshan trips were operated across the country with a total of 23,636 passengers during the year 2010-11 as against 57 trips with 22,621 passengers during the previous year. IRCTC has won the GMR Travel World Award 2010 for “Excellence in Operations” for its Bharat Darshan tours.

Mahaparinirvan Express - Buddhist Circuit Special Train

The Mahaparinirvan Express offers a 7 Nights / 8 Days all inclusive tour covering various destinations of the Buddhist Circuit and has been launched with the objective of providing a safe, comfortable and reliable tour package for international as well as domestic travelers on this circuit. This train has been awarded the **National Tourism Award of Excellence** in February 2009 by the Ministry of Tourism. During 2010-11, the train carried 1,367 passengers as compared to 1,039 passengers in the year 2009-10 recording an increase of 32%.

Tour Packages

IRCTC also operates all inclusive Rail Tour Packages across the country, which include confirmed rail travel, road transfers, accommodation, meals and sight-seeing at reasonable rates. During 2010-11, a total of 49,308 passengers availed IRCTC tour packages as against 43,258 passengers during the previous year.

Educational Tours

IRCTC operated educational tours for students under its “**travel to learn**” scheme and tied up with the Kendriya Vidyalaya Sangathan, Tamil Nadu Government, Assam Government, Jammu and Kashmir Government as well as private schools for operating educational tours for children. In the year 2010-11, 20,441 students and teachers availed the facility of educational tours as compared to 12,729 students and teachers in the year 2009-10.

Chartered Trains and Coaches

IRCTC operated 243 train/coach charters in the year 2010-11 as against 248 charters during the previous year. The company also operated 80 hill charters in the year 2010-11 as against 36 during the previous year.

Corporate Travel

IRCTC also ventured into the field of Corporate travel in 2010-11 and is offering complete Travel services to Corporates which include air ticketing, booking of domestic as well as international hotels, cab rental, passport and visa facilitation, insurance & forex.

Tourism Portal

IRCTC's tourism portal, www.railtourismindia.com, is a One Stop Travel Shop. The portal, which won the National Tourism Award in the year 2008, is increasingly becoming popular

among the travelers and offers various Travel and Tourism services such as on-line booking of tourist trains, tour packages, hotels, cab rental as well as air tickets.

Maharajas' Express

This is a top end luxury train which is owned by IRCTC and managed by Royale Indian Rail Tours Limited. The Pan India luxury tourist train operated 28 trips carrying 1,030 tourists in the year 2010-11.

Bharat Tirth

IRCTC launched Bharat Tirth Tourist Trains in February 2011 in fulfillment of announcement made by Hon'ble Minister for Railways in the Budget Speech of 2010. The trains provide three categories of packages (viz. Budget, Standard and Deluxe packages) for meeting requirements of different segments of tourists. In all 4 trips were operated in the year carrying 1,443 passengers.

IV PACKAGED DRINKING WATER (RAILNEER)

During the year 2010-2011, two plants manufacturing Rail Neer Packaged Drinking Water were in operation at Nangloi (Delhi) and Danapur (Bihar). The production of Rail Neer at Nangloi and Danapur was 3.28 crores and 3.12 crores bottles respectively as against installed capacity of 3.34 crores bottles at each plant. Turnover for the segment for the year 2010-11 was ₹ 23.96 crore, which did not include intersegment sale amounting to ₹ 19.36 crore.

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

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

During the year Rail Neer Plant, Danapur got certification of quality management system as per ISO- 9001-2008. Rail Neer Plant, Nangloi is also in the process of getting certification.

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

One more Packaged Drinking Water Plant with installed capacity of 1.8 lac bottles/day has also been set at Palur (Chennai) and has become operational in July 2011.










6. COMMONWEALTH GAMES DELHI - 2010

The Commonwealth Games was held in Delhi in 2010 and were set the largest international multi-sporting event held in India since the 1982 Asian Games. The Games were held over a period of 12 days from 3rd October to 14th October, 2010 and majority Athletes and Technical official were catered to from 23rd September (training Period) onwards and had participation from over 7,000 athletes from 71 Commonwealth Games Associations. The management and provision of Commonwealth Games ticketing, all off-board arrangements for CWG Special Shatabdi Train at Agra and the catering arrangements at SPM and Talkatora Stadiums were a feather in IRCTC's cap. The details are as under:-

CWG TICKETING - IRCTC was appointed as the official ticketing agency for the XIX Commonwealth Games 2010, Delhi which was one of the largest international multi-sporting event to be held in India since the 1982 Asian Games.

It successfully handled the ticketing operations for the event for a total seating inventory of 1.4 million seats for 290 sporting session in 17 sports at 12 venues over 12 days.

This mammoth job covered the complete gamut up to final delivery of tickets to customers including: -

-  Design, delivery and management of the ticketing technology platform.
-  Development and management of integrated online real time transactional website call centers & manual outlets for booking of tickets and customer service.
-  Operationalizing and managing ticket box offices at the venues.
-  Training and management of ticketing staff .
-  Fulfillment of ticketing orders including ticketing, printing and delivery (domestic & international).
-  Logistics of managing physical inventory and cash collections.
-  Conflict resolution at the venues.

This was achieved by entering into a consortium with M/s Broad Vision (for software support) and M/s Ticketpro (for ticketing expertise).

Performance of IRCTC has been commended by all concerned including the Shungloo Committee examining various CWG projects.

CWG TOURISM - A Special Shatabdi Train was run by IR for the CWG sports persons and officials - IRCTC operated and provided off-board arrangements for visit of over 3000 CWG athletes and officials at Agra during October, 2010 in collaboration with UP Tourism. The services were highly appreciated by the guests.

CWG CATERING - IRCTC catered for Package #2 at SPM (AQUATICS) & Talkatora (Boxing) Lounges for Athletes & Team Officials, Technical Officials, Media, and VIP & Games Family. IRCTC provided outstanding catering service for the above groups at different lounges where over 3500 meals per day were served. IRCTC was highly commended for professional friendly service and comprehensive menu which was a mélange of Indian and International delicacies.

7. FUTURE GROWTH STRATEGIES

IRCTC at this juncture is having a fresh look at its business segments, through introspection. It is set to take new initiatives in various fields to face the tough challenge that it is faced with.

The Corporation aims to grow by leaps and bounds. For this purpose BIG HAIRY AUDACIOUS GOALS are being set aiming to become a ₹ 2500 crore company by FY'15. We are aiming high especially keeping in view of the fact that the Turnover target for FY'12 is only ₹ 500 crore, much lower than ₹765 crore achieved during the current year. To get anywhere near the aim for FY'15, Railways unstinted support is solicited. It needs rational & positive policy initiatives from the Ministry in respect of Budget Hotels, Rail Neer, e-ticketing, terminal management, commercial advertising and Tourism products.

There is also a need to look at what more non core activities can be transferred to the Corporation from Ministry of Railways. The corporation needs to be empowered to fulfill its initial mandate of Budget Hotels and grow into this area on a war footing.

Over the years, IRCTC has developed extensive capabilities in the fields of hospitality, catering, tourism, package drinking water and e-commerce. It has a Pan India presence with grid of Zonal, Regional and Station officers in major cities, more than 1500 Hospitality Professionals from reputed IHMs, expertise in mass food production, distribution and quality control, complex operations management in-house and outsource model, development of hi-end catering facilities, designing, upgrading and consultancy in Hospitality projects, expertise in commissioning and operating of hi-end and low-end tourism products, expertise in Tourism management, extensive experiences building and operating PDW plans and serving demand of IR network and largest e-commerce website in Asia-Pacific.






IRCTC is taking various initiatives to leverage on its expertise and experience and grow many fold in the coming years as detailed below :

A. CATERING & HOSPITALITY - Future Potential and Planning

IRCTC is accelerating its efforts for capturing the Catering & Hospitality Business by taking various initiatives.

(i) Non-Railway Catering

Large no. of future projects have been identified and are at various stages in the pipeline for non railway catering segment. Some of the major ones are:

-  Delhi Metro Rail Corporation (DMRC), New Delhi
-  Indira Gandhi National Open University, New Delhi
-  Rourkela Steel Plant, Rourkela, Orissa
-  SAI Sports Hostel at JNS & IG, New Delhi
-  National Institute of Food Technology Entrepreneurship & Management-Kundli (NIFTEM)

**(ii) Facility Management**

IRCTC with its partners also provides a professional Facility Management in some of the Prominent Institutes. IRCTC provides one window solution for Catering, Front office and Facility Management solutions includes Housekeeping, Security, Laundry, Landscape Management, Maintenance and AMC etc. Our Facility Management Services are especially molded for the optimal utilization of the available resources to provide excellent Services to the Institutes. We have a team of expert especially trained to execute undertaken projects as per the requirement of the clients.

(iii) Central Kitchen

IRCTC is opening a state of art **Central Kitchen (Food Factory)** with a capacity of about 25000 meals per day .This, one of its kind state of art Food Factory in the region is in Line with the major Air Flight Catering Kitchens to produce meals of high quality and standard. The food factory will be fully automated with equipment from the best manufactures and professionals from India & abroad. The menu though limited initially to vegetarian, non-vegetarian and combo meals (Indian/Chinese) will be produced with cleanliness and hygiene, as the hall mark.

(iv) DMRC

IRCTC with DMRC (Delhi Metro Rail Corporation) New Delhi is soon planning to come up with over 130 Kiosk across Delhi-NCR at suitable Metro stations in a Phase wise manner, where it shall provide, Metro Commuters with a wide variety of quality food & beverages.

(v) HPCL/BPCL MOU

IRCTC has entered into MoU with leading Petroleum PSUs for setting up for Food Plazas, Motels and other travelers facilities at suitable petrol outlets on PAN India basis. This has great potential keeping in view of the fact that Government's emphasis of making more than 20000 kms express ways in the near future.

(vi) Budget Hotel







IRCTC wants to actively pursue the process of establishing Budget Hotels across Major tourists and religious destinations & Management of existing Rail Yatri Niwas and Budget Hotel / Resorts / Motel. Budget Hotel at all major railway stations where possible with a PPP (Public Private Partnership) to provide Rail Passengers a High Standard Clean accommodation Facility at reasonable price in the vicinity of the Station. This will of course require a clear and rational policy initiative from Ministry of Railways.

B. INTERNET TICKETING - Future potential and planning:





The IRCTC website is presently catering to over 40% of total PRS tickets of Indian Railways. With the increasing telecom and internet connectivity in the country, there is huge potential for further growth. In order to meet the future demand, capacity enhancement of the infrastructure is in process. In this direction, setting up of state of art data center, installation of high capacity servers, upgradation of internet bandwidth are at advanced stage of implementation.

C. TOURISM - Future potential & planning

IRCTC's vision is "To be the leading provider of high quality travel and tourism services in the country". Your Corporation is planning to further expand tourism business in the coming years by expanding existing business lines as well as development of new lines such as Corporate travel as well as inbound travel services for individual travelers. Specific focus areas for the future are :-

-  **Educational Tours :** IRCTC would continue to be the leading provider of specially designed packages "with strong educational content & a caring environment" to meet the needs of educational institutions across the country under its "Travel to Learn" scheme.
-  **Corporate Travel:** IRCTC will continue to focus on providing cost effective and efficient travel solutions to Corporates, especially PSUs.
-  **Buddhist Circuit Travel:** IRCTC aims to further increase services on this circuit by launching a special train from Chennai and is also working on development of a new train for replacing existing Mahaparinirvan Express Services.
-  **Deluxe Tourist Train:** IRCTC plans to capture a niche available for domestic & international tourists with a package in the range of about USD 250 per day.
-  **Online Travel:** IRCTC would continue to strengthen its position as the biggest E-Commerce site and focus on offering value for money online travel solutions to a range of customer segments.
-  **Rail Tour Packages:** IRCTC would continue to strengthen its portfolio of comprehensive rail based packages utilizing regular train services.

D. PACKAGED DRINKING WATER - Future potential & planning

-  As per one study, daily requirement of Packaged Drinking Water over Indian Railway network is approx 30 lac bottles/day, against which, at present IRCTC produces 2 lac bottles/day, which shall become 3.8 lac bottles/day by end of 2011. From year 2013, when plant at Ambernath (Mumbai) is commissioned, IRCTC will have capacity to produce 5.8 lac bottles/day, which shall be about 15% of total requirement.
-  Ambernath plant will have capacity of 2 lakh bottles per day at estimated cost of ₹19 crores. With optimum project management, work is likely to be completed by end of year 2012-13 & commercial production will start in 2013. The site location and plans have been finalized.
-  To increase bottling capacity, IRCTC is in process of setting up Joint Venture with participation from Private Industry. The Joint Venture firm will set up more Packaged Drinking Water Plants across the country. Two potential sites identified, are at Nagpur and Hyderabad.
-  Ministry of Railways has decided to set up six packaged drinking water plants under PPP mode.



8. 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:

- The 3rd DSIJ PSU Award 2011, for being fastest growing non-manufacturing companies with balance-sheet size less than ₹ 4000 Crore. The Company was awarded 'Speed King (Miniratna)' - April, 2011.
- The SKOCH's - The World Open Award for Integrated Train Enquiry System (ITES) from the Controller of Certifying Authority, Government of India - Oct., 2010.
- The India Pride Award-Gold from Shri Pranab Mukherjee, Hon'ble Union Minister of Finance, for Internet Ticketing - Sept., 2010.

9. HUMAN RESOURCE DEVELOPMENT AND TRAINING INITIATIVES

During the year 2010-2011, training to more than 3500 persons engaged with the Corporation was imparted on various aspect of their work. The training programmes were organised at Customer Care Centre of the Corporation in Delhi and reputed Regional and Government institutes.

10. INDUSTRIAL RELATIONS

Cordial industrial relations were maintained during the year.

11. VIGILANCE

- 11.1 The Vigilance Department is presently headed by full fledged 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.
- 11.2 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.
- 11.3 The vigilance Awareness Week was organized during 25th October, 2010 to 1st November, 2010. 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.
- 11.4 Performance of the Vigilance Department is reviewed regularly by the CVC and Managing Director/ IRCTC.

11.5 IRCTC has implemented the “Integrity Pact” program in line with the recommendations of Central Vigilance Commission to bring the internationally acclaimed best practices for raising integrity levels in procurement of works and services etc. The adoption of Integrity Pact by IRCTC has helped in establishing healthy business practices.

12. 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 were 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.

During the financial year 2010-11, the Second Sub Committee of the Parliamentary Official language Committee inspected the office of the Corporation in order to review the use of Hindi in the Corporation. The Committee appreciated the use of Hindi by Corporation.

13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

14. 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.

15. 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**.

16. 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, 2011, 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, 2011, on a 'going concern' basis.

17. COMMENTS OF COMPTROLLER AND AUDITOR GENERAL

The Comments on the accounts for the year ended 31st March, 2011 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 forms part of the Annual Report.

18. 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 2010-11.

19. 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". An amount of ₹ 2.25 Crore has been earmarked by the Corporation for CSR Activities for the year 2010-11.

IRCTC has undertaken the following measures towards fulfilling its CSR obligations:

Jaipur Foot

CSR Project was taken in association with Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) (also known as '**Jaipur Foot**') to provide Artificial Limbs /Calipers and hand paddled tricycles to physically challenged people. Vide this project 957

physically challenged people were benefitted. The cost of the project was ₹ 25.37 lacs. The project started in Delhi and Jaipur on 8th March, 2011 and completed on 25th March, 2011.

Meri Dilli Meri Yamuna

Under Meri Dilli Meri Yamuna drive to keep Yamuna clean, a project has been taken in association with Shajanabad Re-development Corporation (SRDC), Government of NCT of Delhi and Art of Living Foundation' of Sri Sri Ravishankarji. Vide this project, the Chat pooja Ghat at ITO will be developed into a picnic spot with separate immersion area for pooja material and flowers and provisions for walkways, lighting, trees, grass, toilets, etc. . An amount of ₹ 56 lacs has been sanctioned as IRCTC's contribution to the project.

Sulabh Toilet Complex on Buddhist Circuit

Project for construction and maintenance of Sulabh Complex (Public Toilet) is taken in association with Sulabh International. The project is proposed to be developed on the Buddhist Circuit route from Gorakhpur (near Anand Nagar, Pharendra) to Nautanva in the district of Maharajganj, Uttar Pradesh for Tourist and other travellers on Buddhist Circuit. Land allocation is done by UP Govt and project activities have commenced. The estimated cost of the Project is ₹ 25.11 lacs.

Vocational Training

Project is taken up in association with Institute of Hotel Management (IHM), Pusa, Under the project financial assistance would be provided to 5 meritorious students including atleast one girl student. The Project is expected to cost the company ₹ 18 lacs.

Other Activities

- Preventing spillage of garbage and ensuring safe disposal of garbage in Railway premises and reduce consumption.
- Planting of trees

20. 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.
- Rainwater harvesting at Railneer plants to preserve the ground water level.
- Installation of environment friendly CDTs toilets in the Buddhist Circuit Special Train as well as the Maharajas' Express.



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

21. AUDITORS

M/s Bhushan Bensal Jain Associates, Chartered Accountants, New Delhi were appointed as Corporation's Statutory Auditors for the year 2010-2011 by Comptroller and Auditor General of India, New Delhi.

22. BOARD OF DIRECTORS

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

The Board met five (5) times during the year for transacting business. Following Directors held office as on the date of the Report: -

Shri Vinay Mittal, 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)
Smt. Mani Anand, Government Director
Shri R.N. Bhardwaj, Independent Director
Shri R.K. Agrawal, Independent Director

Shri Vinay Mittal, Chairman & Member Traffic, Railway Board joined the Board of the Corporation as Chairman on 26.07.2011 in place of Shri Vivek Sahai, 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 valuable guidance and services rendered by Shri Vivek Sahai during his association as Chairman of IRCTC.

Shri Naresh Salecha, Executive Director, F(C), Part-time Government director, ceased to be director of the Corporation w.e.f 01.12.2010. Shri Jagdeep S. Chhokar and Shri Alok Shivapuri, Independent Directors ceased to be director on completion of their tenure of three years on 27.05.2011. The Board wishes to place on record its appreciation for the valuable guidance and services rendered by Shri Naresh Salecha, Shri Jagdeep S. Chhokar and Shri Alok Shivapuri during their association on the Board of Directors of Corporation.

23. AUDIT COMMITTEE

An Audit Committee of the Board of Directors was earlier constituted by the Corporation. The Audit Committee of Board of Directors met Four (4) times during the year for transacting business and following Audit Committee Members held office during the year 2010-11: -

Shri R. N. Bhardwaj, Independent Director
Shri R.K. Agarwal, Independent Director
Shri Alok Shivapuri, Independent Director
Shri Jagdeep S. Chhokar, Independent Director
Shri Vinod Asthana, Director(Catering Services)

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

24. 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

Sd/-
(Vinay Mittal)
Chairman

Place: New Delhi

Date : 20th September, 2011



Annexure-I to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(1) INDUSTRIES STRUCTURE AND DEVELOPMENT

ECONOMIC SCENARIO

The global economic environment continues to be challenging. Coming out off the throes of recession of past two years, large parts of the developed world are faced with varying degrees of uncertainty. Many governments especially in the Euro area, are laden with the significant amount of public debts. While the world economy is still struggling for recovery, India after an initial dip has come out of this quickly and again designated as one of the most attractive investment destinations across the globe.

The domestic environment is conducive for growth and private consumption expenditure is projected to grow by a healthy 7.5 per cent and gross fixed capital formation by 14.6 per cent.

The overall growth of Gross Domestic Product (GDP) at factor cost at constant prices, as per Advance Estimates, was 8.6 per cent in 2010-11 representing an increase from the revised growth of 8.0 per cent during 2009-10, according to the Advance Estimate (AE) of Central Statistics Office (CSO).

The cumulative amount of FDI equity inflows from April 2000 to February 2011 stood at US\$ 193.7 billion, according to the data released by the Department of Industrial Policy and Promotion (DIPP). humungous increase in investment mirrors the foreign investors' faith in the Indian markets.

CATERING AND TOURISM SECTOR

Catering & Hospitality Industry Overview:

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\$300 billion from the current level of US\$180 billion.

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 Capita Consumption Expenditure on food by over 20 % but this is still much below as in China, US etc.

Catering services business is a rewarding option with huge potential of growth. Considering the importance of social celebrations and events, corporate cultures and social lifestyle, the catering industry is expected to expend its status and profitable nature further.

Catering service providers are finding recognition at small as well as big levels. The catering industry is not only favorable for home based businesses; it is helping the social caterers to make big profits. Though, it is obvious that only those service providers in the industry succeed who are able to withstand this demanding business option.

The restaurant industry came up with good figures even when other industries were struggling during the period of recession. The consumers in the India middle & upper class spend about 30 percent of their total food budget in the restaurants. This clearly indicates how the establishments like restaurants, cafes and other types of eateries are growing their profits year after year.

The catering services industry in the developing countries too is enjoying the favorable period of growth. The countries like India has its people adopting to the new lifestyles which include better food preparations for different types of social and cultural functions and increased habit of people to eat in restaurants regularly.

The main promising factors that ensure that the catering industry is going to maintain its consistent growth for the years to come include:

- Household with higher income are helping the catering industry to flourish. In the developing countries as well, the household income is increasing at a fast pace. So, more and more people are attracted towards the catering industry and the services offered by it.
- Corporate culture that holds a number of meetings, conferences, business lunch and dinner parties are becoming greatly dependent upon the catering industry services. The trend might not be that new for the developed countries, but the countries that have recently discovered the corporate culture are helping in the industry to attain popularity.
- Birthday parties, wedding receptions and other types of family events are more and more relying upon the catering service providers. This is mainly because of the increase in number of working mothers that give them less time to do preparations in the kitchen.
- Finally, people are getting more attracted towards the fashion of eating out with families and friends. This type of lifestyle is again new for the developing countries.

Hospitality Overview

As per review done by the Confederation of Indian Industries on Hotel Industry, the growth rate is over 10% and taking into account the sanctioned projects for construction of new Hotels, requirement of another 60,000 rooms is estimated by 2015. Business and Budget Hotel segments are the fastest growing in the categories of Hotel requirement for the business of accommodation management in India. As per World Bank study on T&T, India will have fifth place in terms of business travel by end 2015, close to China.



Besides IRCTC being a leader in providing comprehensive affordable high standard and quality catering and facility management on PAN India basis, IRCTC has approached number of State Tourism Board and State Industrial Corporation such as Punjab, Haryana, Chhattisgarh, West Bengal, Bihar, Tamilnadu, Kerala etc. to provide space for setting up Budget Hotels. Further, State Tourism Board have also been approached to hand over existing properties to IRCTC for upgradation operation and its maintenance. The properties includes tourist complexes, tourist lodges, budget hotels etc.

Tourism Industry Overview:

Travel & Tourism is one of the largest industries in terms of employment generation and is estimated to account for almost 8.6 per cent of total employment worldwide. In India, travel & tourism accounts for 5.9 per cent of GDP and 9.2 per cent of employment making in one of the largest sources of employment in country. It is estimated that, travel & tourism can provide 37 million jobs in the next 10 years as against overall additional job requirement of 120 million in India in this period. Latest estimates indicate a total of 750 million domestic tourist trips (with a CAGR of over 13 per cent) as against international arrivals of a little over 5 million with a CAGR of about 6.5 per cent. In recent years while there has been some decline in inbound tourists, there has been a continuous growth in the number of domestic tourists. This is an indicator of the resilience of this sector even in case of a severe economic down turn.

There is, at the same time, a severe shortage of infrastructure as well as trained manpower for supporting required growth in this sector which prevent India from achieving its true potential with regard to development of tourism.

Indian Railway plays a key role in tourism - both as a convenient and economical means of travel as well as a tourism destinations in itself.

This background of growing demand and resource limitations provides a fertile ground for growth of a pro-active tourism organization like IRCTC.

SWOT Analysis

Strength

Operational

- 1) Pan India presence
- 2) Only PSU Company, providing one window solution to all Hospitality Services.
- 3) Support of Indian Railways
- 4) Professional employee base
- 5) Largest e-commerce provider in Asia Pacific

Marketing

- 1) Reputed brand name
- 2) Database of over 18 million customers
- 3) Large agent network

Weakness

- 1) Revenues almost fully dependent on Railways.
- 2) Profitability dependent on one segment.
- 3) Unable to attract professionals at senior management level.

Opportunity

- 1) High growth rate in Hospitality activities
- 2) Growth in online travel
- 3) IT and E-Governance
- 4) Capitalise on catering manpower and brand

Threat

- 1) Frequent changes in Railway Policy.
- 2) Setting up of Commercial Portal.
- 3) Dominant unorganized sector

(2) SEGMENT-WISE PERFORMANCE

IRCTC operates in two major business areas i.e. Catering & hospitality and Travel & Tourism. The catering division has three segments namely, Licensee catering, Departmental Catering and Railneer, packaged drinking water.

During the year 2010-11, the Licensee catering business registered an income of ₹ 312.23 Crore as against ₹ 367.91 crore achieved during 2009-10. The Segment result (profit) achieved was ₹ 78.74 crore during the year 2010-11 as against ₹ 64.26 crore during the year 2009-2010. The decline in the income of the segment was due to transfer of licensee catering business to the Railways on implementation of Catering Policy-2010.



The Departmental Catering business registered an income of ₹ 198.58 crore during the year as against ₹ 147.06 crore achieved during year 2009-10. The loss of departmental catering during the year 2010-11 has come down from ₹ 74.75 Crore to ₹ 55.47 Crore in spite of high inflation rate in food products and no increase in sales prices. This could be achieved by higher sales with the lower manpower cost and control on raw material consumption etc.

During the year 2010-11, the Railneer business registered an income of ₹23.96 crore as against ₹ 22.43 crore achieved during year 2009-10. This does not include sale of Rail Neer through departmental catering, amounting to ₹ 19.36 crore as against ₹ 13.75 crore in the previous year. The profit achieved was ₹ 2.73 crore during the year as against ₹. 8.89 crore of the previous year. The profitability of this segment has come down mainly due to higher preform prices (main raw material) which is directly linked to petroleum prices.

During the year 2010-11, the Tourism business registered an income of ₹ 67.04 crore as against ₹ 44.73 crore achieved during year 2009-10, indicating a growth of about 50 %. The Segment result (loss) of ₹ 6.22 crore was suffered during the year as against ₹ 2.81 crore during previous year mainly because ₹ 2.50 crore provision made on investment in Joint venture Company.

During the year 2010-11, the Internet Ticketing business registered an income of ₹ 142.92 crore as against ₹ 122.89 crore achieved during year 2009-10. The Segment result (profit) achieved was ₹ 94.14 crore during the year as against ₹ 83.76 crore. Increase in internet ticketing was witnessed due to good marketing efforts, upgraded infrastructure and improved customer care.

(3) OUTLOOK

The Company needs to reinvent itself keeping in view the issues brought in this report. For ensuring better future performance it has to look for opportunities for outside the railways and cash on same besides ensuring greater support from Indian Railways by providing excellent services in railway related areas.

(4) 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 the Catering Policy 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:

The commercial portal of Indian Railways was launched on 08.07.2011 with lower service charges. This portal has the facility for booking of Rail e-tickets also similar to IRCTC website. The operation of commercial portal has been suspended on 22.07.2011 due to problems in payment settlement system. The IRCTC website is performing well with highest singly day booking of 4.39 lakhs on 01.08.2011.

(5) 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 has implemented the integrity pact program in line with the recommendations of Central Vigilance Commission. The process of engagement of Independent External Monitors (IEMs) has been completed. The adoption of Integrity Pact by IRCTC will go a long way in establishing healthy business practices.

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

During the year 2010-11, the Corporation achieved a total income of ₹ 764.93 crore as compared to ₹ 721.97 crore in 2009-10 thereby registering a growth of approx. 6 %. The



growth would have been much higher if the impact of revenue from licensee catering which has come down from ₹ 367.91 crore in 2009-10 to ₹ 312.23 crore in 2010-11 due to transfer to Railways as per Catering Policy 2010 is considered. A significant growth has been achieved in all the other segments of business during 2010-11.

Profit before tax of ₹ 129.79 Crore was achieved during the year as compared to ₹ 94.76 Crore in the previous year thereby registering a growth of about 37%. This has happened because of enhanced revenue and control on expenditure. However, net profit has marginally come down from ₹ 63.05 Crore in 2009-10 to ₹ 60.79 Crore in 2010-11 due to higher Income tax provision. An amount of ₹ 9.12 Crore has been provided towards Haulage charges up to 20.7.2010 till the announcement of new Catering Policy 2010.

During the year, the Ministry of Railways implemented the new Catering Policy-2010 and taken over licensee operated mobile and static catering activities.

MOU for the year 2010-11 with Ministry of Railways

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

MOU Parameters	MOU 2010-11	Actual 2010-11
Gross Margin/Gross Block (%)	49.7%	106.7%
Net Profit/ Net Worth (%)	28.7%	28.7%
Gross Profit/Capital Employed (%)	44.2%	66.7%
Gross Margin(₹ in Crore)	102	144.24
Gross Sales(₹ in Crore)	715	741.24
PBDIT/Total Employment (₹ in lakh per person)	3.08	7.46
Added Value/ Gross Sales	12.1 %	16.8%

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

In order to professionalize and smooth functioning, 23 Executives, 45 Supervisors and 161 workmen were appointed in IRCTC through open advertisement and campus recruitment during the year 2010-11.

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

The total manpower at the close of the financial year 2010-11 i.e. on 31st March, 2011 was 1934 which includes 456 Executives and 1478 Non-Executives.

Cordial Industrial Relations were maintained during the year.

(8) 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.

(9) CORPORATE SOCIAL RESPONSIBILITY

Initiatives taken by your company towards CSR are detailed in Directors' Report.

SUSTAINABLE BUSINESS DEVELOPMENT:

Steps taken by your company towards sustainable business development are covered in the Directors' Report:

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.



Annexure-II to Directors' Report

FORM A

Disclosure of particulars with respect to Conservation of Energy:

A. Power and Fuel consumption:

Particulars	2010-11	2009-2010
1. Electricity:		
a) Purchased:		
Units ('000 KWH)	3200.37	2678.18
Total Amount (₹ In Lac)	148.38	139.89
Rate/Unit (₹)	4.63	5.22
b) Own Generation:		
Through Diesel Generator-		
Units ('000 KWH)	73.92	144.00
Units per ltr. Of diesel oil	2.70	3.12
Cost/unit (₹)	14.69	15.58
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	
	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
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:**

NIL

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

Not Applicable

3. Future plan of action:

To reduce cost of packaging in a Rail Neer bottle, "Preform" will be redesigned to reduce weight. One possibility is to use 29/25 short height neck, which is under implementation with "Kinley" brand of PDW. At present 30/25, three start neck is used and performs weight is 22 gms.

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

(₹ in Lac)

Sr. No.	Particulars	2010-11	2009-10
A	Capital	Nil	3.70
B	Recurring	Nil	Nil
	Total	Nil	3.70
	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	2010-11	2009-10
Foreign Exchange Earnings	1327.47	1347.61
Foreign Exchange Outgo:-		
Foreign Travelling Expenses	25.22	29.40



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.

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, 2011 consists of a Part time Chairman, a Managing Director, three Functional Directors, one Government Nominee Official Director 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 four Directors or more than twelve Directors. The Directors may be either whole-time or part-time Directors.

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

Shri Naresh Salecha, Executive Director Finance(C), ceased to be a part time Government Director from the Board of Director of Indian Railway Catering & Tourism Corporation Limited (IRCTC) w.e.f. 01.12.2010.

Shri Vinay Mittal, Chairman & Member Traffic, Ministry of Railways, Railway Board became Chairman of IRCTC w.e.f. 26.07.2011 in place of Shri Vivek Sahai who ceased to be Chairman of the Corporation w.e.f. 01.07.2011, consequent upon attaining superannuation.

Shri Jagdeep S. Chhokar and Shri Alok Shivapuri, Independent Directors have ceased to be Independent Directors w.e.f. 28.05.2011 from Board of Directors on completion of their tenure.

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, 2011 was as follows.

Detail of Directors		Name	Date of Joining the Board	Date of superannuation / completion of the tenure.
Category	Designation			
Whole-time Directors	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	Chairman & Member Traffic, Railway Board	Shri Vivek Sahai	14.01.2010	30.06.2011* (Superannuation)
	Director	Shri Naresh Salecha	04.10.2006	Ceased with effect from 01.12.2010
	Director	Smt Mani Anand	14.05.2010	Till the President desires.
Part-time Non official Directors	Independent Director	Shri Jagdeep Singh Chhokar	28.05.2008	Ceased with effect 28.05.2011
	Independent Director	Shri Alok Shivapuri	28.05.2008	Ceased with effect 28.05.2011
	Independent Director	Shri R.N. Bhardwaj,	22.01.2009	21.01.2012
	Independent Director	Shri R.K. Agrawal,	22.01.2009	21.01.2012

* Shri Vinay Mittal Chairman & Member Traffic, Railway Board joined as Part-time Chairman w.e.f. 26.07.2011.



3. Board Meetings and Attendance:

The meetings of the Board of Directors are normally held at the Registered office of the Company/Railway Board. 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.

Details of attendance at Board Meetings and last AGM by Directors

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 Vivek Sahai	5	Yes
(II)	Functional Directors of the Corporation			
2.	Managing Director	Shri Rakesh Kumar Tandon	5	Yes
3.	Director(T&M)	Dr. Nalin Shinghal	5	Yes
4.	Director(CS)	Shri Vinod Asthana	5	Yes
5.	Director(Finance)	Shri Vishwa Ranjan Gupta	5	Yes
(III)	Government Directors nominated by Ministry of Railways			
6.	Director	Shri Naresh Salecha	2	Yes
7.	Director	Smt. Mani Anand	4	Yes
(IV)	Independent part-time non-official Directors			
8.	Director	Shri Jagdeep Singh Chhokar	3	Yes
9.	Director	Shri Alok Shivapuri	5	No
10.	Director	Shri R.N. Bhardwaj	3	No
11.	Director	Shri R.K. Agrawal	5	No

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 2010-11, the Board of Directors met five times to transact the business with one meeting in each quarter ending June, 2010, December, 2010, March, 2011 and two meetings in quarter ending September, 2010. One meetings of the Board of Directors was held at the registered office of the Company and remaining four meetings were held at Rail Bhawan, New Delhi. 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.	46 th	10 th May, 2010
2.	47 th	6 th August, 2010
3.	48 th	7 th September, 2010
4.	49 th	3 rd December, 2010
5.	50 th	24 th January, 2011

Details of the directors on the Board of the Company for the financial year 2010-2011 are as under:

Number of the directorship and all committee memberships/ Chairmanships

Name	Category	Other Directorship (+)	Committee Membership	Committee Chairmanship
Shri Vivek Sahai*	Part-time Chairman	3	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	1	Nil
Shri Vishwa Ranjan Gupta	Director(Finance) (Whole-time director)	Nil	Nil	Nil
Shri Naresh Salecha **	Part-time Official Director (Government Nominee)	1	2	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	1	Nil
Shri Alok Shivapuri****	Part-time Non-official Director (Independent Director)	Nil	1	Nil
Shri R.N. Bhardwaj *****	Part-time Non-official Director (Independent Director)	10	8	4
Shri R.K. Agrawal	Part-time Non-official Director (Independent Director)	1	1	Nil

***Ceased to be Part time Chairman w.e.f. 01.07. 2011**

****Ceased to be Part-time Government director w.e.f 01.12.2010**

*****Ceased to be Part-time Government director w.e.f 14.05.2010**

****** Ceased to be independent director w.e.f 28.05.2011**

******* 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 and as required by the Corporate Governance Guidelines for Central Public Sector Undertakings issued by Department of Public Enterprises, 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 the date of report :

- (i) Shri Vinod Asthana, Director(CS)
- (ii) Shri R. N. Bhardwaj, Director.
- (iii) Shri R. K. Agrawal, Director.

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

Shri Neeraj Kumar Aggarwal, Company Secretary is Secretary of the Committee.

The Committee acts in accordance with the terms of reference under Companies Act and Corporate Governance guidelines as 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 four times during the financial year 2010-2011 on 05.07.2010, 06.09.2010, 03.12.2010 and 26.03.2011. Attendance of the members of the committee is given below:

Member	Position	Meetings held	Meetings attended
Shri R. N. Bhardwaj	Chairman	4	4
Shri Vinod Asthana	Member	4	4
Shri Jagdeep S. Chhokar	Member	4	4
Shri Alok Shivapuri	Member	4	4
Shri R. K. Agrawal	Member	4	4

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 other than those on deputation draw remuneration under Industrial Dearness Allowance (IDA) pattern of pay scale and as per the terms and conditions issued by Government of India from time to time.

During the year 2010-11, the corporation has provided or made the following payments to Whole-time Directors:

Particulars	(₹ in Lac)	
	Year ended 31.03.2011	Year ended 31.03.2010
Salary, allowances and perquisites	99.99	79.21
Gratuity	2.26	2.19
Leave Salary	3.44	3.34
FSC paid to Railways	2.82	2.82
Total	108.51	87.56

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 ₹10,000/- per meeting attended by them.

**6. Disclosure**

- (i) There has not been any materially significant related party transaction having potential interest with the Company at large.
- (ii) No penalty has been imposed on the Company by any statutory authority owing to non-compliance under applicable laws, during the last three years.
- (iii) 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 2010-11.
- (iv) 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.
- (v) 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, Annual Reports, Corporate Governance Manual and Board Charter, Code of Business Conduct and Ethics 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 Rail Tourism, Catering service, Rail ticketing services etc. IRCTC took steps to improve Corporate Communication.

8. Training of Board Members :

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

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 2010-11.

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
E mail: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, 2011** as stipulated in Guidelines on **Corporate Governance for Central Public Sector Enterprises, 2010**.

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

Sd/-
Prop.
Company Secretary
C.P. No. 3222
M.No. 4816

Place: New Delhi
Date: 24th August, 2011

Service Tax No. : AMAPS 9564 KST 001 ; Certificate of Practice No. : 3222



Bhushan Bensal Jain Associates
CHARTERED ACCOUNTANTS



4648/21, DARYAGANJ,
NEW DELHI 110002.

Phones : 23261054,

Fax : 23252876

E-mail: bbjassociates_rb@yahoo.co.in

AUDITORS REPORT
TO THE SHAREHOLDERS OF
INDIAN RAILWAY CATERING & TOURISM CORPORATION Ltd.

1. We have audited the attached Balance Sheet of **INDIAN RAILWAY CATERING & TOURISM CORPORATION LIMITED**, as at 31st March, 2011 and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. 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 the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for 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 annex hereto a statement on the matters specified in Paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 here above, we report that:-
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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, the Profit and Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance sheet, the Profit and Loss Account & the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable to the Company;

- (v) The Company is a Government Company and the Directors have been appointed by the Central Government. Hence clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 is not applicable and hence no comments.

In our opinion and to the best of our information & according to the explanations given to us, the said Financial Statements read with the notes thereon in Schedule 25 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- ii. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Bhushan Bensal Jain Associates
Chartered Accountants
FRN:003884N

Sd/-

(CA. Ravi Bhardwaj)
Partner
Membership No. 80656

Place: New Delhi

Date: 2nd September, 2011



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 2011.

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its 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) During the year, the company has not disposed off any substantial part of its fixed assets; therefore, it does not affect the going concern assumption.
- ii) a) According to information and explanation given to us the inventories have been physically verified during the year. No material discrepancies have been noticed.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence no further comments are required under clauses (a) to (g) of para 4 (iii) of CARO, 2003.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and nature of its business, for purchase of inventory and fixed assets and for providing of services. Further, on the basis of our examination and according to the information and explanations given to us, we have not observed any continuing failure or major weaknesses which need to be corrected in internal control systems.
- v) Based on our examination and according to the information and explanations given to us, we are of the opinion that there were no transactions during the year that need to be entered in the Register maintained under Section 301 of the Companies Act 1956.

- vi) Based on our scrutiny of the company's record & according to the explanations given to us by the management, the Company has not accepted any deposits from public during the year.
- vii) The internal audit of the Company is being carried out by a firm of Chartered Accountants. The scope given is commensurate with the size and nature of company's business.
- viii) As informed to us the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- ix)
 - a) As informed to us, and based on our examination of records and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty and Excise Duty whichever is applicable with the appropriate authorities and there were no arrears outstanding of statutory dues as at the last day of financial year for a period of more than six months from the date they became payable.
 - b) According to the information made available to us, following are the amounts which have not been deposited because of disputes :

Statute	Amount (in lacs)	Forum at which dispute is pending
Service Tax	239.03	Commissioner of service tax
Service Tax	169.06	Commissioner of service tax
Service Tax	19.18	Commissioner (Appeals)
Income Tax	30.69	Commissioner (Appeals)
Income Tax	7.33	ITAT
VAT	15.82	CTO, Hyderabad

- x) The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year ended 31st March, 2011 and in the immediately preceding financial year.
- xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution. The Company has not issued any debentures.
- xii) The Company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund company, nidhi/mutual benefit fund/societies, therefore, no comment is required to be given under para 4 (xiii) of CARO, 2003.



- xiv) The Company is not dealing or trading in any shares, securities, debentures and other Investments. Accordingly the provisions of clause 4 (xiv) of CARO is not applicable to the company.
- xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to information and explanations given to us, the company has not raised any loans.
- xvii) On the basis of information and explanations given to us, and on an overall examination of the financial statements of the company, no funds have been raised on short-term basis. Hence, no comments required.
- xviii) According to the information and explanation given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures, therefore, no comment is required to be given under para 4 (xix) of CARO, 2003.
- xx) The Company has not raised any money by public issue, therefore, no comment is required to be given under para 4 (xx) of CARO, 2003.
- xxi) According to the information and explanations given to us by the management, no fraud on the company or by the Company has been noticed during the year.

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

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

Place: New Delhi

Date : 2nd September 2011

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.**Balance Sheet as at 31st March 2011**

(₹ in Lac)

	Schedule	As at 31st March 2011 Amount	As at 31st March 2010 Amount
Sources of Funds			
Shareholders' Funds			
Share Capital	I	2,000.00	2,000.00
Reserves and Surplus	II	19,141.04	14,275.66
TOTAL		21,141.04	16,275.66
Application of Funds			
Fixed Assets	III		
Gross Block		13,517.96	12,683.74
Less: Depreciation		5,953.83	4,613.58
Net Block		7,564.13	8,070.16
Add : Capital Work in Progress		1,636.08	759.99
		9,200.21	8,830.15
Investments	IV	0.20	250.20
Deferred Tax Assets (net) (Refer Note 18 in Schedule XXV)		0.00	93.89
Current Assets, Loans and advances			
Interest accrued on Investments	V	0.12	0.12
Inventories	VI	620.92	778.83
Sundry Debtors	VII	26,163.88	23,231.94
Cash and Bank Balances	VIII	24,610.76	19,800.43
Other Current Assets	IX	841.53	472.41
Loans & Advances	X	14,698.27	16,231.08
		66,935.48	60,514.81
Less: Current Liabilities and provisions	XI		
Current Liabilities		46,720.34	47,852.94
Provisions		8,274.51	5,560.46
		54,994.85	53,413.40
Net Current Assets		11,940.63	7,101.42
Miscellaneous Expenditure to the extent not written off or adjusted		-	-
TOTAL		21,141.04	16,275.66
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 Bhushan Bensal Jain Associates
Chartered Accountants**for and on behalf of Board of Directors**Sd/-
Ravi Bhardwaj
Partner
M.No: 080656
Firm Reg. No.: 003884NSd/-
Rakesh Kumar Tandon
Managing DirectorSd/-
V R Gupta
Director (Finance)Sd/-
Neeraj Kumar Aggarwal
Company SecretaryPlace : New Delhi
Dated : 02nd September, 2011



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

**Profit and Loss Account
For the year ended 31st March 2011**

		For the Year Ended 31st March 2011 <u>Amount</u>	(₹ in Lac) For the Year Ended 31st March 2010 <u>Amount</u>
Income	Schedule		
Departmental Sales Including Rail Neer	XII	22,092.20	16,731.56
Income from Internet Ticketing & Call Centre	XIII	13,776.93	11,206.97
Income from Licencee Catering Services	XIV	31,223.03	36,791.40
Income from Tourism	XV	6,703.93	4,472.54
Interest Income on FDRs and TDRs (Gross) (TDS ₹.17.90 Lacs (Previous Year ₹. 175.17 Lac)		1,616.46	1,541.78
Other Income	XVI	1,080.29	1,452.38
A		76,492.84	72,196.63
Expenditure			
Materials Consumed	XVII	15,086.75	10,754.06
(Increase) / Decrease in Finished Goods	XVIII	1 65.64	(179.62)
Expenses of Licencee Catering Services	XIX	20,122.69	27,415.35
Expenses of Tourism	XX	5,677.10	4,128.72
Manufacturing & Direct Expenses	XXI	3,297.18	2,520.68
Human Resource Cost	XXII	12,875.91	12,712.76
Administrative, Selling & Distribution Expenses	XXIII	4,593.52	4,113.99
Interest Expenses		29.90	-
Provision for Diminution in value of Investment		250.00	-
Depreciation	III	1,415.19	1,254.73
B		63,513.88	62,720.67
Adjustments pertaining to earlier years	C XXIV	-	-
Profit before tax	(A - B-C)	12,978.96	9,475.96
Less :			
Provision for Income Tax		6,806.44	3,451.33
Deferred Tax (Refer Note 18 in Schedule XXV)		93.89	(280.59)
Profit after taxation		6,078.63	6,305.22
Profit brought forward		1,283.96	954.11
Profit Available for appropriation		7,362.59	7,259.33
APPROPRIATIONS			
Dividend - Interim		-	400.00
- Final		1,215.73	861.05
Tax on Dividend		197.22	214.32
Transfer to General Reserve		4,500.00	4,500.00
Profit Carried to Reserve & Surplus (Balance Sheet)		1,449.64	1,283.96
Earning per share (Face Value of ₹ 10 per share)			
Basic (in ₹)		30.39	31.53
Diluted (in ₹)		30.39	31.53
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 Bhushan Bensal Jain Associates for and on behalf of Board of Directors
Chartered Accountants

Sd/-
Ravi Bhardwaj
Partner
M.No: 080656
Firm Reg. No.: 003884N

Sd/-
Rakesh Kumar Tandon
Managing Director

Sd/-
V R Gupta
Director (Finance)

Sd/-
Neeraj Kumar Aggarwal
Company Secretary

Place : New Delhi
Dated : 02nd September, 2011

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Cash Flow Statement for the year ended 31st March, 2011

(₹ in Lacs)

	2010-11		2009-10	
A. Cash Flow from Operating Activities				
Net Profit before tax and extraordinary Items	12,978.96		9,475.96	
Adjustments				
Depreciation	1,415.19		1,254.73	
Loss on Asset sold	5.29		13.68	
Transfer to CSR Fund	199.70		-	
Interest Income	(1,616.46)		(1,541.78)	
Total of Adjustments	3.72		(273.38)	
Operating Profit before Working Capital Changes	12,982.68		9,202.58	
Working Capital Changes				
Decrease/(Increase) in Inventories	157.91		(259.64)	
Trade & Other Receivables	(1,024.87)		(4,454.38)	
Trade Payables & Provisions	(737.89)		10,319.61	
Cash Generated from Operation	11,377.83		14,808.17	
Income Tax for Previous Year	(1,449.64)		-	
Direct Taxes Paid	(3,825.59)		(4,102.67)	
Net Cash from Operating Activities		6,102.60		10,705.50
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(1,790.49)		(5,076.92)	
Sale of Fixed Assets	8.27		10.71	
Investment in JV Company	250.00		-	
Interest Received	1,247.34		1,517.42	
Net Cash used in Investing Activities		(284.88)		(3,548.79)
C Cash Flow from Financing Activities				
Dividend Paid (including Tax on Dividend)	(1,007.39)		(1,089.22)	
Net Cash from Financing Activities		(1,007.39)		(1,089.22)
Net Change in Cash & Cash Equivalents (A+B+C)		4,810.33		6,067.49
Opening Balance of Cash & Cash Equivalents		19,800.43		13,732.94
Closing Balance of Cash & Cash Equivalents		24,610.76		19,800.43

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 Bhushan Bensal Jain Associates for and on behalf of Board of Directors

Chartered Accountants

Sd/-
Ravi Bhardwaj
PartnerSd/-
Rakesh Kumar Tandon
Managing DirectorSd/-
V.R.Gupta
Director (Finance)Sd/-
Neeraj Kumar Aggarwal
Company Secretary

M.No: 080656

Firm Reg. No.: 003884N

Place : New Delhi

Dated : 02nd September, 2011



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Schedules Annexed to and forming part of the Balance Sheet

	As at 31.03.2011 Amount	(₹ in Lac) As at 31.03.2010 Amount
Schedule-- I		
SHARE CAPITAL		
Authorised Capital		
5,00,00,000 Equity Shares of ₹ 10 each	5,000.00	5,000.00
(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)		
	2,000.00	2,000.00
Schedule-- II		
RESERVE & SURPLUS		
A. General Reserve		
Opening Balance	12,991.70	8,491.70
Add : transferred from Profit & Loss Account	4,500.00	4,500.00
	17,491.70	12,991.70
B. Corporate Social Responsibility Fund		
CSR Fund	199.70	-
C. Profit & Loss a/c		
Opening Balance	1,283.96	954.11
Add : transferred from Profit & Loss Account	165.68	329.85
	1,449.64	1,283.96
Reserve & Surplus (A + B + C)	19,141.04	14,275.66

Schedule-III

(i) Fixed Assets

Particulars	Gross Block			Depreciation			Net Block	
	Original Cost As at 01.04.2010	Additions during the year	Deletions/Sales During the year	Original Cost As at 31.03.2011	Up to 01.04.2010	For the year 2010-11	Upto 31.03.2011	As at 31.03.2011
Land leasehold *	61.28	-	-	61.28	-	-	-	61.28
Lease hold - Office Development	751.24	207.09	-	958.33	294.07	70.77	364.84	593.49
Building - Factory - Leasehold	354.00	-	-	354.00	69.98	11.82	81.80	272.20
Building - Office - Leasehold	69.77	6.60	-	76.38	7.32	1.17	8.49	67.89
Plant & Machinery	1,602.84	15.26	-	1,618.10	567.80	164.47	732.27	885.83
Tools & Plants	0.24	-	0.18	0.06	-	-	-	0.06
Computers	3,048.24	234.57	71.89	3,210.92	2,214.33	381.60	2,532.13	678.79
Furniture & Fixtures	544.35	25.33	4.14	565.54	303.40	52.06	362.05	213.49
Office Equipments	919.21	281.33	10.77	1,189.77	417.51	189.47	601.57	588.19
Air Conditioners	213.91	19.14	3.24	229.81	82.71	20.09	100.48	129.34
Lease hold - Residential Flats	248.50	-	-	248.50	10.78	8.28	19.06	229.44
Intangible Assets	1,060.59	120.75	-	1,181.34	625.76	234.60	860.36	320.98
Luxury Tourist Train	3,809.57	14.37	-	3,823.94	19.92	280.86	300.78	3,523.16
Total	12,683.74	924.44	90.22	13,517.96	4,613.58	1,415.19	5,953.83	7,564.13
Previous Year	7,636.09	5,139.92	92.26	12,683.74	3,423.54	1,254.73	4,613.58	8,070.16
								4,212.55

(ii) CAPITAL WORK IN PROGRESS

Particulars	As at 31st March 2011	As at 31st March 2010
Budget Hotel Project	29.16	29.16
Internet Ticketing Office	-	6.41
Rail Neer Plant - Nangloi	11.45	3.96
Rail Neer Plant - Pallur	1,503.89	652.49
Railneer - West Zone	15.45	13.00
Janahar - West Zone	13.62	-
Railneer-Danapur	53.50	43.00
RR-Ahemdabad	4.99	4.99
VRR-Chennai	-	0.72
Base Kitchen-Chennai	1.25	1.25
Cell Kitchen -Bangalore	-	5.01
Food Factory, Noida	2.76	-
Total (ii)	1,636.08	759.99
Previous Year	759.99	90.58
Total of Fixed Assets (i) + (ii)	9,200.21	8,830.15

Notes :

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


Schedules Annexed to and forming part of the Balance Sheet

	(₹ in Lac)	
	As at 31.03.2011 Amount	As at 31.03.2010 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
Less : Provision for Diminution in value of investment	250.00	-
	-	250.00
Non Trade, At Cost		
NSC VIIIth issue 6 Years		
(Pledged with Sales Tax Office as Security)	0.20	0.20
	0.20	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		
<i>(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)</i>		
Raw Material	208.52	200.79
Finished Goods	235.60	426.78
Trading Goods-PD Items	176.80	151.26
	620.92	778.83
Schedule - VII		
SUNDRY DEBTORS		
(Unsecured considered good for recovery by the management)		
- Debts outstanding for a period exceeding six months		
Considered Good	17,505.61	15,108.50
Considered Doubtful	77.90	68.34
(a)	17,583.50	15,176.84
- Other Debts		
Considered Good	8,658.27	8,123.44
Considered Doubtful	-	-
(b)	8,658.27	8,123.44
Total (a)+(b)	26,241.78	23,300.28
Less : Provision for Doubtful Debts	77.90	68.34
	26,163.88	23,231.94
Schedule - VIII		
CASH & BANK BALANCES		
(i) Cash in Hand	52.15	111.64
(ii) Remittance in Transit	-	2.00
(iii) Balance with Scheduled Banks in Current Accounts	2,935.80	2,671.30
(iv) Balance with Scheduled Banks in Fixed & Term Deposits	21,622.81	17,015.49
<i>(Rs.31.24 lacs has been kept as margin money against bank guarantee, Previous Year 8.24 lacs)</i>		
	24,610.76	19,800.43
Schedule-- IX		
OTHER CURRENT ASSETS		
Interest Accrued but not due on Fixed & Term Deposits with Scheduled Banks	841.53	472.41
	841.53	472.41

Schedules Annexed to and forming part of the Balance Sheet

	(₹ in Lac)	
	As at 31.03.2011 Amount	As at 31.03.2010 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	2,514.50	2,341.56
Considered Doubtful	-	-
	<u>2,514.50</u>	<u>2,341.56</u>
	2,514.50	2,341.56
Capital Advance to Indian Railways for Construction of Flats & Land	1,211.34	869.34
Security & Other Deposits :		
- with Government / Statutory Bodies	6,220.44	8,622.90
- with Others	<u>29.63</u>	<u>26.82</u>
	6,250.07	8,649.72
Advance Tax including TDS	4,676.08	4,301.39
Advance Fringe Benefit tax	-	0.43
Prepaid Expenses	<u>46.28</u>	<u>68.64</u>
	<u>14,698.27</u>	<u>16,231.08</u>
Schedule - XI		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
(i) Sundry Creditors		
For Goods	935.33	1,001.13
For Expenses	12,450.14	9,088.78
(Amount due to SSI Nil)		
(ii) Deposits from suppliers & Licencee		
Security Deposits	8,104.21	7,716.32
Earnest Money Deposit	1,718.74	2,124.64
(iii) Unexpired Concession Fee, Licence Fee & User Charges		
Unexpired Concession Fee	176.02	2,943.69
Unexpired Licence Fee	2,712.16	7,398.27
Unexpired User Charges	12.32	23.64
(iv) Advances Received from Customers	199.48	175.92
(v) Other Current Liabilities		
Other Liabilities	20,076.13	16,981.96
Taxes Payables	<u>335.81</u>	<u>398.59</u>
	46,720.34	47,852.94
B. Provisions		
Proposed Dividend	1,215.73	861.05
Provision for Dividend Tax	197.22	146.34
Provision for Income Tax	5,356.80	3,451.33
Provision for Retirement Benefits	<u>1,504.76</u>	<u>1,101.74</u>
	8,274.51	5,560.46
Total A + B	<u>54,994.85</u>	<u>53,413.40</u>


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

	(₹ in Lac)	
	For the Year Ended 31.03.2011 Amount	For the Year Ended 31.03.2010 Amount
INCOME		
Schedule--XII		
DEPARTMENTAL SALES INCLUDING RAIL NEER		
1) Rail Neer (Packaged Drinking Water)		
Sales (Gross including Excise Duty but excluding Sales Tax)	2,706.15	2,518.75
Less : Excise Duty	326.76	291.73
	2,379.39	2,227.02
2) Departmental Catering -		
Sales of Food & Beverages	19,048.58	14,115.89
Income from Outdoor Catering	664.23	388.65
Total (1 +2)	22,092.20	16,731.56
Schedule--XIII		
INCOME FROM INTERNET TICKETING & CALL CENTRE		
Service Charges Earned - IR Tickets	12,369.37	11,124.90
Income from Licence Fee- Call Centre	100.00	75.00
Income from Messaging Service	35.83	7.07
Income from CWG Ticketing	1,271.73	-
	13,776.93	11,206.97
Schedule--XIV		
INCOME FROM LICENCEE CATERING SERVICES		
A. INCOME FROM CATERING & COMPREHENSIVE SERVICES PROVIDED		
Income from On Board Catering Services- Rajdhani & Shatabdi Trains	13,109.61	15,329.00
Income from Bedroll & Cleaning	1,235.28	1,780.75
	14,344.89	17,109.75
B. INCOME FROM CONCESSION FEE, LICENCEE FEE ETC.		
Income from Concession Fee	2,664.88	1,770.70
Income from Licence Fee	12,657.92	16,480.85
Income from User Charges-Food Plaza	418.97	418.71
Income from Licence Fee-Food Plaza	1,136.37	1,011.39
	16,878.14	19,681.65
Total (A+B)	31,223.03	36,791.40
Schedule--XV		
INCOME FROM TOURISM		
Travel & Tour Income	6,228.19	4,338.07
Income from User Charges-Rail Yatri Niwas	82.08	76.71
Income from Licence Fee-Rail Yatri Niwas	73.30	57.76
Lease Rent Income on LTT	320.36	-
	6,703.93	4,472.54
Schedule--XVI		
OTHER INCOME		
Interest Income Others	1.17	0.27
Income from Advertisement/SBI Cobranded Cards & Loyalty Cards	414.86	513.52
Income from fees from IATA/RTSA/Internet Café etc.	88.60	569.37
Income from Vending	81.12	73.17
Excess Provision Written Back	0.84	8.21
Countermanding Charges & Security Deposit forfeited	11.42	0.45
Income Accrued on Forfeiture of contracts	69.74	2.37
Sale of Tender Forms	8.81	23.73
Miscellaneous Income	403.73	261.29
	1,080.29	1,452.38

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

(₹ in Lac)

	For the Year Ended 31.03.2011 Amount	For the Year Ended 31.03.2010 Amount	
EXPENDITURE			
Schedule--XVII			
MATERIALS CONSUMED			
1) Rail Neer (Packaged Drinking Water)			
Opening Stock	59.70	32.07	
Add : Purchases and Expenses	2,065.76	1,544.37	
	2,125.46	1,576.44	
Less : Closing Stock	92.92	59.70	1,516.74
2) Departmental Catering			
a) Raw Material Consumed			
Opening Stock	141.09	88.71	
Add : Purchases	5,281.17	4,064.32	
	5,422.26	4,153.03	
Less : Closing Stock	115.60	141.09	4,011.94
b) Purchases of PD items for resale			4,915.01
c) Purchase - Outdoor Catering			310.37
Total (1+2)	15,086.75	10,754.06	
Schedule--XVIII			
(INCREASE) / DECREASE IN FINISHED GOODS			
Rail Neer - Packaged Drinking Water			
Opening Stock -			
Finished Goods	426.76	240.93	
	426.76	240.93	
Closing Stock -			
Finished Goods	235.54	426.76	(185.83)
Departmental Catering			
Opening Stock -			
Finished Goods	0.02	0.72	
PD Items	151.26	156.77	
	151.28	157.49	
Closing Stock -			
Finished Goods	0.06	0.02	
PD Items	176.80	151.26	
	176.86	151.28	6.21
	(25.58)		(179.62)
	165.64		
Schedule--XIX			
EXPENSES OF LICENCEE CATERING SERVICES			
A. EXPENSES OF CATERING & COMPREHENSIVE SERVICES PROVIDED			
On Board Catering Charges- Rajdhani & Shatabdi Trains	13,109.61	15,329.00	
Service Charges - Bedroll & Cleaning	1,235.28	1,780.75	
VAT Expenses	773.81	3,372.00	
	15,118.70	20,481.75	
B. EXPENSES OF CONCESSION FEE, LICENCEE FEE, HAULAGE, ETC.			
Concession Fee	399.73	265.60	
Licence Fee	2,369.48	3,095.37	
User Charges -Food Plaza	167.59	167.48	
Licence Fee -Food Plaza	454.55	404.56	
Haulage Charges	912.00	3,000.00	
Licence Fee Paid Railway Land - Food Plaza	0.63	0.59	
Service tax - Food Plaza	700.01	-	
	5,003.99	6,933.60	
Total (A+B)	20,122.69	27,415.35	


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

(₹ in Lac)

	For the Year Ended 31.03.2011 Amount		For the Year Ended 31.03.2010 Amount
Schedule--XX			
EXPENSES OF TOURISM			
Travel & Tour Expenses	5,561.63		3,988.60
Licence Fee - Rail Yatri Niwas I	18.32		14.44
User Charges - Rail Yatri Niwas	20.52		19.17
Licence Fee Paid Railway Land - Rail Yatri Niwas	0.04		0.04
Maintenance & Other Charges	76.59		106.47
	5,677.10		4,128.72
Schedule--XXI			
MANUFACTURING AND DIRECT EXPENSES			
a) Rail Neer (Packaged Drinking Water)			
Operation & Maintenance Chgs	454.00		313.72
License fee Railway Land	26.85		23.62
Power & Fuel	155.97		166.75
Repair & Maintenance - Plant & Machinery	5.63	2.83	
Repair & Maintenance - Others	7.02	5.16	
Other Direct Expenses	23.90		14.81
	673.37		526.89
b) Departmental Catering			
Freight Inward Loading & Unloading-Catering	17.23		8.93
Food Inspection Expenses	5.23		0.04
Fuel	752.13		581.53
Bedroll & Cleaning Service Charges	3.95		31.83
	778.54		622.33
c) Internet Ticketing			
Maintenance & Other Charges	1,243.69		688.56
Loyalty Card Issue Expenses	37.84		30.69
Internet Usage Charges	563.74		652.21
	1,845.27		1,371.46
Total (a+b+c)	3,297.18		2,520.68
Schedule--XXII			
HUMAN RESOURCE COST			
A Directors :			
Director's Salaries, Allowances, Performance Award,			
Provision for Accrued Leave and Pension	108.51		87.56
	108.51		87.56
B Others :			
Salaries, Allowances, Performance Award, Reimbursements,			
Provision for Bonus and Accrued Leave Salary :			
- Departmental Catering Employees	6,593.23		7,943.06
- Others	2,174.08		1,715.71
Contribution to Provident Fund, Gratuity and Pension Funds :			
- Departmental Catering Employees	942.47		1,195.90
- Others	270.04		100.11
HRD & Training Expenses	16.12		23.41
Recruitment Exp.	(10.92)		5.41
Staff Welfare Expenses	65.36		38.10
Payment to Consultants	347.57		286.28
Manpower Support Charges	2,312.27		1,236.69
Stipend to Trainees	57.18		80.53
	12,767.40		12,625.20
Total (A+B)	12,875.91		12,712.76

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

(₹ in Lac)

	For the Year Ended 31.03.2011 Amount	For the Year Ended 31.03.2010 Amount
Schedule--XXIII		
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES		
A ADMINISTRATIVE EXPENSES		
Security Charges	84.00	58.71
Local Conveyance Expenses	170.06	193.93
Travelling Expenses:		
Directors - Inland	12.63	19.54
Others - Inland	527.32	421.45
Directors - Foreign	7.85	3.11
Others - Foreign	17.37	26.29
Office and Repair Expenses	333.47	246.01
Rent Rates & Taxes:		
Office Rent	636.54	579.23
Duty, Rates & Taxes	32.87	40.46
Electricity & Water Charges	152.20	123.30
Bank Charges	54.78	25.24
Books & Periodicals	16.51	22.76
Insurance Expenses	33.56	24.90
Postage & Courier Charges	25.82	27.82
Printing & Stationery	144.28	139.51
Telephone Expenses	215.72	195.29
Internet & Leased Line Expenses	4.30	4.39
Miscellaneous Expenses	23.82	36.08
Subscription & Membership Fee	10.75	11.45
Donation	0.15	3.72
Meeting & Seminar Expenses	15.91	23.77
Auditors' Remuneration	5.08	4.58
Auditors Out of Pocket Expenses	5.54	3.55
Internal Audit Expenses	4.65	4.65
Interest paid - others	10.81	5.25
Legal & Professional Expenses	130.85	178.29
ERP Maintenance Charges	164.54	166.11
Processing Fees	0.44	2.69
Loss on Sale/Discard of Fixed Assets	5.29	13.68
Corporate Social Responsibility	225.00	-
	3,072.11	2,605.76
B SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses	293.81	374.81
Business Development Expenses	74.23	59.47
Commission paid to Vendors	463.97	455.55
Customer Satisfaction Survey Expenses	14.24	29.00
Freight Outward & CFA Charges	598.63	408.27
Postage & Courier Charges	66.97	114.00
Provision for Doubtful Debts	9.56	67.13
	1,521.41	1,508.23
Total (A+B)	4,593.52	4,113.99
Schedule--XXIV		
ADJUSTMENT OF PRIOR PERIOD INCOME / EXPENDITURE (NET)		
Prior-period Income	-	-
Prior-period Expenses	-	-



SCHEDULE NO. XXV

SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

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

B. 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.

C. 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.

D. REVENUE RECOGNITION

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

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 recognized on the basis of value of the service charges earned on the sale of tickets sold through Corporation's Web-site (www.irctc.co.in). 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: -

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 Railways.
3.	Award of license for setting up of Food Plaza and operation thereof at the Indian Railway premises.	(i) Fixed Monthly User Charges and Variable License Fee in case of contracts awarded under earlier IRCTC Policy. (ii) Fixed Annual License fee in case of contracts awarded as per Catering Policy, 2005 and revised catering policy, 2005 of Ministry of Railways.
4.	Award of License for Automatic Vending Machines at Railway Stations.	(i) One time Concession fee for the contract period (including renewal period, if any), and Variable prescribed License Fee in case of contracts awarded under earlier IRCTC Policy. (ii) Fixed Annual License fee in case of contracts awarded as per Ministry of Railways Policy for AVMs.
5.	Award of License for static units at Railway Stations	(i) One time concession fee for the contract period (including renewal period, if any), and fixed license fee in case of contracts awarded under IRCTC Policy. (ii) Fixed Annual License fee in case of contracts awarded as per Catering Policy, 2005 and Revised catering policy, 2005 of Ministry of Railways.
6.	Award of license for 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 License:

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

E. 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.

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 Railways in respect of on board catering contract, Automatic Vending Machines, Static Units etc. is recognized on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) over the contract period. Payment of Unexpired Concession Fee to the Indian Railways has been treated as an advance. In case the contracts for the trains are terminated on account of breach of terms and conditions of the contract or cancellation withdrawal of the train by Railway Administration, expenditure is recognized over the period, the contract was in force.

ii) **User charges Paid:** User Charges payable to Indian Railways in respect of Food Plazas and Budget Hotels are accounted for on accrual basis till the period projects were in operation.

iii) License Fee Paid: -

a) Fixed yearly license fees payable to Indian Railways by the Corporation is accounted for on accrual basis on monthly pro-rata basis (fraction of the month, if any, has been treated as full month) till the period project were in operation.



- (b) Variable License fee payable to Indian Railways is accounted on accrual basis as a fixed percentage of the catering services provided /sales made.

iv) Tourism Expenses: -

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

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

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.

F. 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 ₹ 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 .

G. 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.

H. 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.

I. 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.

J. INVESTMENTS: -

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

K. 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.

L. 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

M. TAXATION: -

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.

N. SUNDRY DEBTORS/ADVANCES: -

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

O. 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.

P. 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: -

Claims against the Corporation pending appellate/judicial decisions:

(₹ in Lac)

S. No.	Particulars	As at 31 st March, 2011	As at 31 st March, 2010
a.	Income Tax	38.12	49.13
b.	VAT	21.49	--
c.	Employee Court Case - SCZ	9.20	--
	Total	68.81	49.13

Claims against the corporation not acknowledged as debt:

(₹ in Lac)

S. No.	Particulars	As at 31 st March, 2011	As at 31 st March, 2010
a.	Service Tax	427.28	472.88
b.	Rent to Eastern Railways	5.11	--
c.	Others	1.90	--
	Total	434.29	472.88

2. Estimated amount of Contracts remaining to be executed on capital account and not provided for amounts to ₹ 192.31 Lac as against ₹ 1000.70 Lac in the previous year.

3. DIRECTORS' REMUNERATION

(In ₹ lac)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Salary, allowances and perquisites	99.99	79.21
Gratuity	2.26	2.19
Leave salary	3.44	3.34
FSC paid to Railways	2.82	2.82
Total	108.51	87.56

4. AUDITORS REMUNERATION

(In ₹ lac)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Statutory Audit Fee	2.87	2.54
Tax Audit fee	1.44	1.27
In Other Capacity	0.77	0.77
Out of Pocket Expenses	2.11	1.64
Total	7.19	6.22

**5. PRODUCTION:****(i) Railneer- Packaged Drinking Water**

(In '000)

Item Description	Unit	Location	Installed Capacity*		Production**	
			2010-11	2009-10	2010-11	2009-10
Railneer packaged Drinking Water	Bottles of 1000 ml	Nagloi	33354	33354	32796	31940
		Danapur	33354	24534	31234	22276
Total			66708	57888	64030	54216

* 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 include both Railway catering as well as outdoor catering engaged in preparing various cooked items. However as 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)
2010-11	Bottles of	6390	426.76	4246	235.54	66166	2379.39
2009-10	1000 ml	3909	240.93	6390	426.76	51735	2227.02

* Sales exclusive of excise and sales tax.

**Further, Sale of Railneer of ₹1936.31 Lac (Previous Year ₹1374.56 Lac) is included in departmental catering segment.

(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)
2010-11	NA	NA	151.28	NA	176.86	NA	19712.81
2009-10	NA	NA	157.48	NA	151.28	NA	14504.54

*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/Outdoor Catering Units such as Namkeen, Biscuits and Mineral Water etc.

(iii) Departmental Catering- Bedroll and Cleaning Services

The bedroll services have been withdrawn from the Company 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 catering due to contractual obligations, as the contracts were under 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 ₹1235.28 Lac (Previous Year ₹ 1780.75 Lac) has been booked in this account.

7. Raw Material Consumed:

(i) Railneer

	Unit	2010-11		2009-10	
		Qty (In '000)	Value (₹ in Lac)	Qty (In '000)	Value (₹ in Lac)
Preform	Nos.	66864	1308.87	55866	991.70
Caps	Nos.	68253	215.30	54982	164.67
Label	Nos.	64805	101.10	54656	66.99
Cartons	Nos.	5746	391.08	4603	278.64
Bopp Tapes	Rolls	7.77	16.19	7	14.74
Total			2032.54		1516.74

(ii) Departmental Catering:-

	2010-11		2009-10	
	Qty (In '000)	Value (₹ In Lac)	Qty (In '000)	Value (₹ In Lac)
Raw Material Consumed	NA	5784.78	NA	4322.31

The departmental units including outdoor units engaged in catering activities consumes innumerable numbers of raw material items for manufacture of the cooked food. The items used as raw materials are heterogeneous in nature. Hence, it is not possible to give quantitative break-up of each class of items consumed.

8. EXPENDITURE IN FOREIGN CURRENCY: -

Nature of Expenses	2010-11	2009-10
Foreign Travelling Expenses Directors	7.85	3.11
Foreign Travelling Expenses-others	17.37	26.29
Total	25.22	29.40

9. In the opinion of Management, 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.
- (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 2010-11 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 31st March, 2011	As at 31st March, 2010
(i)	Discount rate (per annum)	8.00 %	8.30 %
(ii)	Mortality rate	Indian Assured Lives Mortality 1994-96) (Modified Ultimate)	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 is used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawal and also compensated absence while in service.

(c) Plan Assets.

(i) Changes in the fair value of plan assets

(₹ in Lac)

	Gratuity		Leave Encashment	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
a) Fair value of plan assets at the beginning of the period	--	--	--	--
b) Acquisition adjustment	--	--	--	--
c) Expected return on plan assets	--	--	--	--
d) Contributions	723.36	--	92.75	--
e) Benefits paid	(8.06)	--	(92.75)	--
f) Actuarial gain/loss on plan assets	0.17	--	--	--
g) Fair value of plan assets at the end of the period	715.47	--	--	--

(ii) Fair value of plan asset

(₹ in Lac)

	Gratuity		Leave Encashment	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
a) Fair value of plan assets at the beginning of the period	--	--	--	--
b) Acquisition adjustment	--	--	--	--
c) Actual return on plan assets	0.17	--	--	--
d) Contributions	723.36	--	92.75	--
e) Benefits paid	(8.06)	--	(92.75)	--
f) Fair value of plan assets at the end of the period	715.47	--	--	--
g) Funded status-surplus (Deficit)	164.23	(249.67)	(759.79)	(567.81)
h) Excess of actual over estimated return on plan assets	--	--	--	--

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

(₹ in Lac)

Sr. No.	Particulars	Gratuity	Leave Encashment
(i)	Present value of the projected benefit obligations as at 1 st April, 2010	249.67	567.81
(ii)	Current service cost	164.06	90.50
(iii)	Interest Cost	19.65	41.71
(iv)	Actuarial gains (-)/losses(+)	125.92	152.52
(v)	Past Service Cost	--	--
(vi)	Benefits Used	8.06	92.75
(vii)	Present value of the projected benefit obligations as on 31st March, 2011 (i+ii+iii+iv-v-vi) (Amount recognized in Balance sheet)	551.24	759.79


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

(₹ in Lac)

Sr. No.	Particulars	Gratuity	Leave Encashment
(i)	Net Asset/(Liability) Recognized at the beginning of the period	(249.67)	(567.81)
(ii)	Employer Expenses	(309.46)	(284.73)
(iii)	Employer Contribution	723.36	92.75
(iv)	Acquisitions/Divestures	--	--
(v)	Net Asset/(Liability) Recognized at the end of the period (Amount recognized in Balance sheet)	164.23	(759.79)

(f) Expenses recognized in the Statement of Profit & Loss Account for the year ended 31st March, 2011:

(₹ in Lac)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2010-11	2009-10	2010-11	2009-10
(i)	Current Service Cost	164.06	43.74	90.50	189.27
(ii)	Interest cost	19.65	7.19	41.71	25.94
(iii)	Actuarial Gain(-)/Losses(+)	125.74	98.03	152.52	(16.75)
(iv)	Past Service Cost	--	--	--	--
(v)	Expected return on plan assets	--	--	--	--
(vi)	Benefit paid	8.06	3.93	92.75	2.46
(vii)	Total (i+ii+iii+vi-v-vi)	301.39	145.03	191.98	196.00
(viii)	Employee Remuneration and benefits	--	--	--	--
	Charged to Profit and Loss Account	301.39	145.03	191.98	196.00
(ix)	Actual Return on Plan Assets	--	--	--	--

11. None of the suppliers / creditors have reported that they are registered under the Micro, Small and Medium Enterprises Development Act 2006. Hence there are no principle / Interest amounts due to Micro & Small Enterprises.
12. Tools and Plants of ₹ 0.06 Lac (Previous Year ₹ 0.24 Lac), which were accounted at Nominal Value of ₹ 1/- per item are lying with the Company. During the year, tools and plants valuing ₹0.18 Lac were returned to Railways.
13. During the year 2010-11, 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.
14. As per Accounting Standard-18-'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below:-

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

Detail 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 31st March, 2011	As at 31st March, 2011	As at 31st March, 2011	As at 31st March, 2011
(i)	Investments	250.00	250.00	--	--
(ii)	Provision for diminution in investment	250.00	--	--	--
(iii)	Advance Lease Rent	1788.27	1904.79	--	--
(iv)	Lease Rent Receivable	196.65	--	--	--
(v)	Sundry Creditors	108.38	370.06	--	--
(vi)	Lease Rent Income	320.36	--	--	--
(vii)	Managerial Remuneration	--	--	108.51	87.56

The provision for diminution in investment has been made for IRCTC share of investment i.e. ₹ 250.00 lacs as the cumulative losses of RIRTL has wiped out its net worth. Further, pending execution of lease agreement with RIRTL, lease rent income of ₹ 320.36 lacs has been recognized on provisional basis on the basis of joint venture agreement and memorandum of understanding entered into with M/s Cox and Kings (India) Ltd.

15. 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 on the basis of unaudited provisional results of RIRTL for F.Y. 2010-11 are given below:

(₹ in Lac)

Sr. No.	Name of the Joint Venture Company	% of Corporations interest Ownership	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
1.	Royale Indian Rail Tours Ltd	50%	1916.76	2766.58	1412.38	2095.68	Nil	Nil

16. 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, 2011 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.
17. 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, 2011 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		Provision for Pension for Optees	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Opening Balance	67.13	1.20	567.81	371.81	249.67	104.64	284.17	--	--	--
Addition	10.77	67.13	284.73	198.46	309.46	148.96	243.80	284.17	373.29	--
Utilization/ Contribution	--	1.20	(92.75)	(2.46)	(723.36)	(3.93)	--	--	--	--
Reversal	--	--	--	--	--	--	--	--	--	--
Closing Balance	77.90	67.13	759.79	567.81	(164.23)	249.67	527.97	284.17	373.29	--

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 in respect of deemed deputationist Optees has been made for ₹ 373.29 Lac to make 100% commutation of difference of pension(IRCTC- Railways) as full and final one time settlement of pensionary liabilities of IRCTC so as to avoid monthly recurring liability of pension.
18. As per Accounting Standard (AS22) - Accounting for Taxes on Income issued by Institute of Chartered Accountants of India, the deferred tax arising on account of timing differences, being the difference between taxable incomes and accounting income has resulted into deferred tax asset to the tune of ₹ 2337.11 lac. Keeping in view, the more prudence policy, the management has decided not to recognize deferred tax asset. Since the management is not sure about the virtual certainty for realizing the asset. Further the deferred tax asset created during the previous year has also been adjusted.
 19. 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 they have gone to court challenging the fixation of license fee on GDP basis and have obtained stay order from the Hon'ble Supreme Court. There are uncertainties regarding the determination of the amount to be realized from the licensees. The Corporation has recognized income as per Accounting Standard (AS-9) in respect of such licensee catering stalls on the basis of old licensee fees fixed by Indian Railways or amount actually received from licensees, whichever is higher.
 20. 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.
 21. 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.

22. An amount of ₹ 912 Lac has been provided as haulage charges in respect of Mobile Pantry Cars on pro-rata basis up to 20th July 2010, the date on which Catering Policy for the year 2010-11 became effective. (Previous Year ₹ 3,000 Lac).
23. Ministry of Railways vide letter no. 2006/LMB/09/03, dated 22.11.06 has directed that water charges for catering and vending units are required to be paid by IRCTC. Provision for Water charges for the departmental catering units is made @ 0.1 % of the turnover in respect of units where bills have not been received from Zonal Railways. Provision for Electricity Charges for the departmental catering units, where the bills have not been received from respective Railways is being provided @ 2.5 % of a turnover.
24. **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 cannot classify to segments, are shown as unallocated assets/ liability. The overall percentage of such unallocable Assets/ Liabilities to total Assets/ Liabilities is not material.



Indian Railway Catering & Tourism corporation Ltd.
FOR THE YEAR ENDED 31.03.2011
Segment Reporting

(₹ in Lac)

Particulars	Licensee Catering		Railneer		Internet Ticketing		Tourism		Departmental Catering		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Revenue												
Income	30,390.90	35,163.33	16.49	16.3	14292.46	12289.26	6,228.19	4,338.07	145.12	201.12	51073.16	52008.08
Sales(Excluding Excise Duty and sales tax)			2,379.39	2,227.01					19,712.82	14,504.54	22092.21	16731.55
Inter-Segment Sales			1936.31	1374.56							1936.31	1374.56
Rail Yatri Nivas and Railway Hotels							475.74	134.47			475.74	134.47
Sales/Income(Bedroll & Cleaning)	1,235.27	1,780.75							0	0.00	1235.27	1780.75
Total Revenue	31,626.17	36,944.08	2,395.88	2,243.31	14,292.46	12,289.26	6,703.93	4,472.54	19,857.94	14,705.66	74,876.38	70,654.85
Segment Result	7,888.60	6,481.01	272.56	897.33	9,414.83	8,391.94	-621.90	-281.20	-5,546.84	-7,474.11	11,407.25	8,014.98
Unallocated Corporate Income		-										
Unallocated Corporate Expenses		-										
Operating Profit	7,888.60	6,481.01	272.56	897.33	9,414.83	8,391.94	-621.90	-281.20	-5,546.84	-7,474.11	11,407.25	8,014.98
Interest Income			0								1616.46	1541.78
Income Taxes(Including deferred tax & FBT)											6900.33	3170.74
Profit from Ordinary Activities	7,888.60	6,481.01	272.56	897.33	9,414.83	8,391.94	-621.90	-281.20	-5,546.84	-7,474.11	6,123.38	6,386.02
Prior Period Income(-)/ Expenses	0	0								0	0	0
Bad & Doubtful Debts written off or provided	9.56	49.59	0	8.1	0	9.44		-			9.56	67.13
Loss on sale of assets	4.86	5.89	0.04	0.18	0.39	6.41			0	1.19	5.29	13.67
Interest Expenses											29.9	0
Net Profit	7,874.18	6,425.53	272.52	889.05	9,414.44	8,376.09	-621.90	-281.20	-5,546.84	-7,475.30	6,078.63	6,305.22
Other Information												
Segment Assets	53,009.00	44,554.00	2576.34	2881.87	9901.07	11885.43	5303.15	6219.64	-5160.65	-6779.60	5628.91	58761.34
Unallocable Corporate Assets		-									10,506.98	10927.71
Total Assets	53,009.00	44,554.00	2,576.34	2,881.87	9,901.07	11,885.43	5,303.15	6,219.64	-5,160.65	-6,779.60	76,135.89	69,689.05
Segment Liabilities	40587.09	34113.4	511.16	526.06	3898.54	3077.53	601.54	705.5	3438	4516.6	49036.33	42939.09
Unallocable Corporate Liabilities		-									5,958.52	10474.31
Total Liabilities	40587.09	34,113.40	511.16	526.06	3898.54	3,077.53	601.54	705.5	3438	4516.6	54994.85	53413.4
Capital Expenditure	256.5	336.95	44.79	275.39	283.01	386.78	0	3809.57	340.14	331.23	924.44	5139.92
Unallocable Corporate Expenditure		-										-
Total Corporate Expenditure	256.5	336.95	44.79	275.39	283.01	386.78	14.37	3809.57	340.14	331.23	924.44	5139.92
Depreciation	196.11	260.98	197.12	158.24	557.97	641.7	340.86	59.86	123.13	133.95	415.19	1254.73
Unallocable Corporate Depreciation											0	0
Total Depreciation.	196.11	260.98	197.12	158.24	557.97	641.7	340.86	59.86	123.13	133.95	1415.19	1254.73

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

25. Earnings Per Share

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

	2010-11	2009-10
Net Profit used as a numerator (₹ in Lac)	6078.63	6305.22
Number of Equity Shares used as denominator (Nos in Lac)	200	200
Earning Per Share-Basic (In ₹)	30.39	31.53
Earning Per Share-Diluted (In ₹)	30.39	31.53
Face Value Per Share (In ₹)	10.00	10.00

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

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

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

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

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

(i) Railway shall progressively take over management of all mobile catering services including base kitchen and mobile catering through departmental catering in a phased manner.

(ii) IRCTC will primarily responsible for running of Food Plaza, Food Courts, Fast Food units within the ambit of this policy.

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

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

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

For Bhushan Bensal Jain Associates
Chartered Accountants

For and on behalf of Board of Directors

Sd/-
Ravi Bhardwaj
Partner

Sd/-
Rakesh Kumar Tandon
Managing Director

Sd/-
V. R. Gupta
Director (Finance)

Sd/-
Neeraj Kumar Aggarwal
Company Secretary

Place: New Delhi.
 Date: 02nd September, 2011



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No. : 101707 State Code: 55
Balance Sheet Date : 31/03/2011

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

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

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

Total Liabilities	Total Assets
7,613,589	7,613,589

i) SOURCES OF FUNDS (Amount in Rs. Thousand)

Paid Up Capital	Reserve & Surplus	Deferred Tax Liability
200,000	1,914,104	NIL
Share Application		
NIL		
Secured Loans	Unsecured Loans	
NIL	NIL	

ii) APPLICATION OF FUNDS (Amount in ₹. Thousand)

Net Fixed Assets	Investments	Deferred Tax Assets
756,413	20	0
Net Current Assets	Misc. Expenditure	Capital Work in Progress
1,194,063	NIL	163,608
	Accumulated Losses	
	NIL	

iv) PERFORMANCE OF COMPANY (Amount in ₹. Thousand)

Turnover including other Income	Total Expenditure
7,649,284	6,351,388
Profit/Loss before Tax	Profit/Loss after Tax
1,297,896	607,863
Earning per share	Dividend Rate (% of Net Profit after Tax)
30.39	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 Tondon
Managing Director

Sd/-
Neeraj Kumar Aggarwal
Company Secretary

Confidential

कार्यालय
प्रधान निदेशक, वाणिज्य/लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-IV,
नई दिल्ली
Office of the
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-IV,
New Delhi.

No. 971-PDCA/MAB-IV/HS/A/cs/IRCTC/11-12/2329

दिनांक / Dated: 16.09.2011

To,

**The Managing Director,
Indian Railway Catering and Tourism Corporation Limited,
New Delhi-110001.**

Sub: Comments of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act 1956 on the accounts of Indian Railway Catering and Tourism Corporation Limited for the year ended 31st March, 2011.

Sir,

I am to forward herewith the comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the accounts of Indian Railway Catering and Tourism Corporation Limited, New Delhi for the year ended 31st March 2011.

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

End; As above

Sd/-
(John K. Sellate)
Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

आठवाँ व नवाँ तल, संकाय भवन, 10 बहादुर शाह जफर मार्ग, नई दिल्ली -110002
8th & 9th Floor, Annexe Building, 10. Bahadur Shah Zafar Marg, New Delhi-110002
Tel. /दूरभाष : 23239413, 23239415, 23239419, 23239420, फ़ैक्स/ .fax : 23239416,
ईमेल / Email : mabNewdelhi4@cag.gov.in



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH, 2011.

The preparation of financial statements of Indian Railway Catering and Tourism Corporation Limited for the year ended 31st March 2011 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 statement under section 227 of the Companies Act, 1956 based on the 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 02.09.2011.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Indian Railway Catering and Tourism Corporation Limited for the year ended 2011 . 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 the behalf of the Comptroller
and Auditor General of India

Sd/-

(John K. Sellate)

Pr. Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

Place: New Delhi.
Date 16.09.2011

TEN YEAR FINANCIAL HIGHLIGHTS

		(₹. in crore)									
Sr. No.	Particulars	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010-2011
1	Total Income (including other income)	9.85	73.61	69.59	127.09	267.98	433.54	527.66	618.77	721.97	764.93
2	Expenditure (including increase/decrease in stock)	8.56	63.57	60.14	115.55	232.96	398.22	486.12	536.68	614.63	620.69
3	Operating Margin	1.29	10.04	9.45	11.54	35.02	35.32	41.54	82.09	107.34	144.24
4	Interest Expenses	0	0	0	0	0	0	0	0	0.03	0.30
5	Depreciation	0.03	0.90	3.03	3.61	3.39	5.32	8.28	10.10	12.55	14.15
6	Profit before Tax	1.25	9.14	6.42	7.93	31.63	30.00	33.26	73.85	94.76	129.79
7	Profit after tax	0.83	5.55	4.12	5.21	19.78	20.23	20.75	46.50	63.05	60.79
8	Dividend	0.20	1.20	1.00	1.00	4.00	4.00	4.15	9.31	12.61	12.16
9	Foreign Projects Reserve	0	0	0	0	0	0	0	0	0	0
10	General Reserve	0.20	2.50	2.50	2.50	14.00	12.00	16.00	35.00	45.00	45.00
11	Other Reserves	0	0	0	0	0	0	0	0	0	2.00
12	Reserve and Surplus	0.85	5.02	8.01	12.10	27.32	42.96	58.85	94.46	142.76	191.41
13	Net Fixed Assets (Gross Block)	0.36	4.11	22.80	25.33	31.01	41.61	61.38	76.36	126.84	135.18
14	Inventories	0	0	1.74	3.73	7.20	5.97	5.73	5.19	7.79	6.21
15	Foreign exchange earnings	0	0	0	0	0	0	0.45	30.85	13.48	13.27
16	Share Capital	20.23	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
17	Capital Employed	20.33	14.18	27.76	31.75	48.92	63.19	80.53	103.87	151.72	195.05
18	Government Investment	0	0	0	0	0	0	0	0	0	0
19	Net Worth	20.97	24.98	27.47	31.79	47.24	62.96	78.85	114.46	162.76	211.41
20	Profit before tax to Capital employed (in%)	6.15	64.46	23.13	24.98	64.66	47.48	41.30	71.10	62.46	66.54
21	Operating Margin to capital employed (in %)	6.35	70.80	34.04	36.35	71.59	55.89	51.58	79.03	70.75	73.95
22	Profit after tax to share capital (in%)	4.10	27.75	20.60	26.05	98.90	101.15	103.75	232.50	315.25	303.95
23	Expenditure to income (in %)	86.90	86.36	86.42	90.92	86.93	91.85	92.13	86.73	85.13	81.14
24	Number of employees	19	45	1318	2146	5616	5246	4963	3780	2645	1934
25	Income per employee	0.52	1.64	0.05	0.06	0.05	0.08	0.11	0.16	0.27	0.40
26	Foreign exchange earning per employee	0	0	0	0	0	0	0.00	0.01	0.01	0.01
27	Current Ratio	2.59	1.22	1.13	1.16	1.14	1.13	1.12	1.13	1.13	1.22
28	Debt/ Equity Ratio	0	0	0	0	0	0	0	0	0	0
29	Investments	0	0	0	0	0	0	0	2.50	2.50	0