

वार्षिक रिपोर्ट Annual Report 2011-2012



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

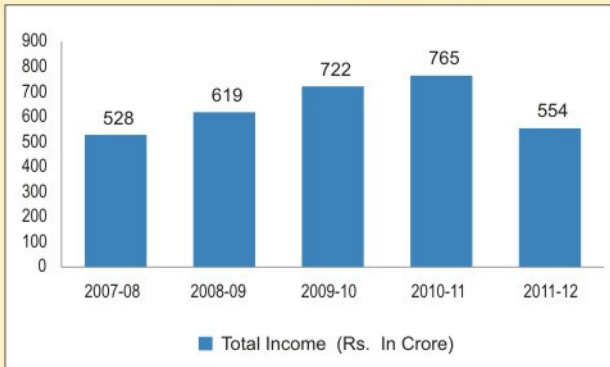
लक्ष्य

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

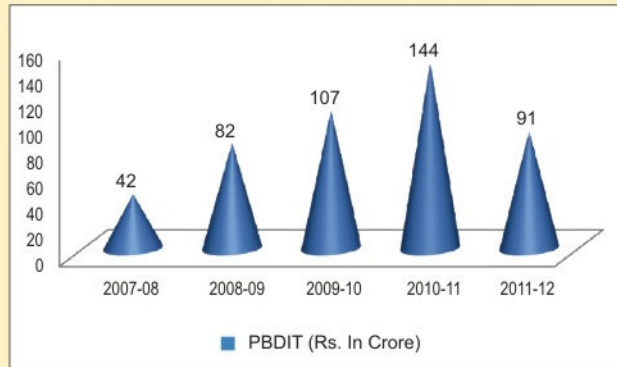
VISION

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

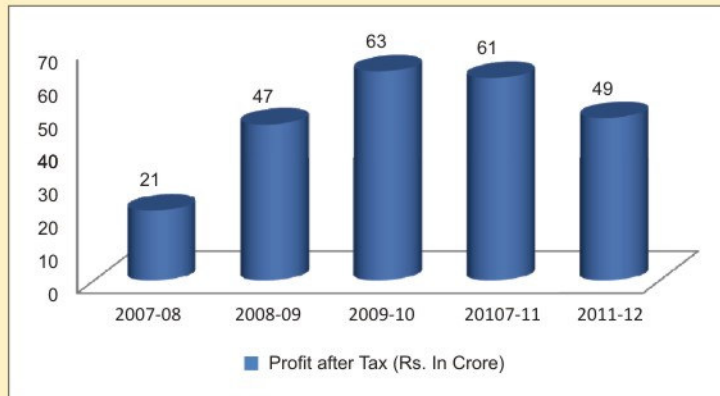
कुल आय (करोड़ ₹ में)
Total Income (₹ in Crore)



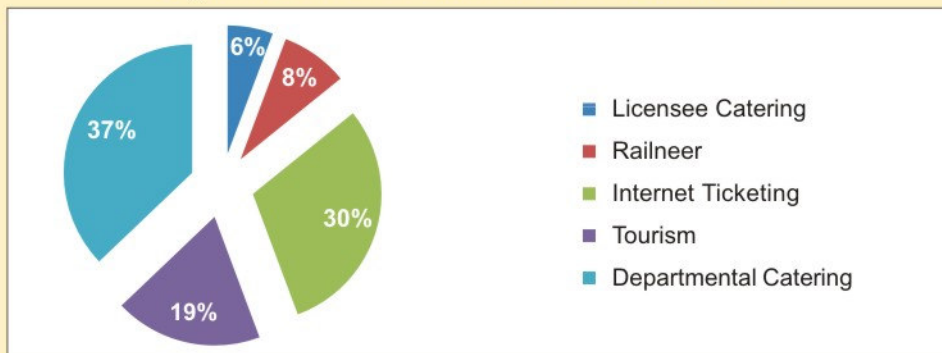
सकल लाभ (करोड़ ₹ में)
PBDIT (Gross Margin) (₹ in Crore)



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



कुल आय-2011-12 का खण्डवार वितरण
Segment-Wise Distribution of Total Income-2011-12



निदेशक मंडल Board of Directors



श्री के.के. श्रीवास्तव
अध्यक्ष
Shri K.K. Srivastava
Chairman



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



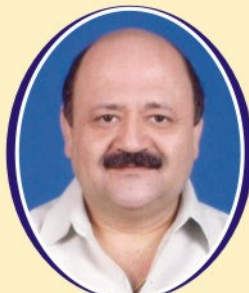
डॉ. नलिन सिंघल
निदेशक (पर्यटन एवं विपणन)
Dr. Nalin Shinghal
Director (Tourism & Marketing)



श्रीमती मनी आनन्द
सरकारी निदेशक
Smt. Mani Anand
Government Director



श्री संजय अरोड़ा
स्वतंत्र निदेशक
Shri Sanjay Arora
Independent Director



श्री आलोक शिवपुरी
स्वतंत्र निदेशक
Shri Alok Shivapuri
Independent Director



डॉ. सुभाष दत्ता
स्वतंत्र निदेशक
Dr. Subhash Datta
Independent Director



श्री के.के. श्रीवास्तव, अध्यक्ष, श्री राकेश कुमार टंडन, प्रबंध निदेशक, डॉ. नलिन सिंघल, निदेशक (पर्यटन एवं विपणन) अन्य अधिकारियों के साथ सेंट्रल किचन, नोएडा में चपाती बनाने वाली स्वचालित प्रक्रिया का अवलोकन करते हुए।

Shri K. K. Srivastava , Chairman, Shri Rakesh Kumar Tandon, Managing Director, Dr. Nalin Shinghal, Director (T& M) alongwith other officers observing automated chappati making process on their visit to Central Kitchen, Noida.



दाएं से बाएं, महामहिम वेंची ऑन्ग, प्रतिनिधि, ताइपै आर्थिक एवं सांस्कृतिक, केन्द्र, भारत, मास्टर हशिम ताओं, लिंग जोसहान मोनास्टरी, ताइवान के प्रमुख, श्री राकेश कुमार टंडन, प्रबंध निदेशक, आईआरसीटीसी, श्रीमती ऑन्ग मार्च 2012 के दौरान महापरिनिर्वाण एक्सप्रेस पर लिंग जोसहान मोनास्टरी से आए 250 श्रद्धालुओं के लिए विशेष चार्टर ट्रिप के अवसर पर सफदरजंग रेलवे स्टेशन पर।

Seen from right to left. H.E Wenchyi Ong, Representative, Taipei Economic & Cultural Center, India, Master Hshin Tao, Head of Ling Zouhsan monastery, Taiwan, Sh.Rakesh Kumar Tandon, Managing Director, IRCTC, Mrs. Ong at Delhi Safdarjung Railway Station on the occasion of special charter trip of 250 devotees from Ling Zouhsan monastery on the Mahaparinirvan Express during March 2012.

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 2011-2012

**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 K.K.Srivastava,
Member Traffic, Railway Board,
& Chairman IRCTC

Managing Director

Shri Rakesh Kumar Tandon,

Functional Directors

Dr. Nalin Shinghal,
Director (Tourism & Marketing)

Government Directors

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

Independent Directors

Shri Sanjay Arora
Shri Alok Shivapuri
Dr. Subhash Datta

Audit Committee :**Chairman**

Shri Sanjay Arora

Members

Dr. Nalin Shinghal
Shri Alok Shivapuri
Dr. Subhash Datta

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
24. Kotak Mahindra Bank

**Registered and
Corporate Office:**

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

Part Portion of Corporate Office

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

Internet Ticketing Office:

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

Railneer Plant, Nangloi:

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

**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, Khagul,
Danapur-801105 (Bihar)

Railneer Plant, Palur:

Palur Railway Station
Taluk- Chengalpattu
Dist Kanchipuram
Tamilnadu- 603101.

Central Kitchen:

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

ZONAL OFFICES:**North Zone :**

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

East Zone:

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

West Zone:

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

South Zone:

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

South Central Zone:

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

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

13th ANNUAL GENERAL MEETING

Chairman's Speech

Dear Shareholders,

It gives me immense pleasure in extending my warm greetings & welcome to all of you at the 13th Annual General Meeting of the Corporation.

We have gathered here today to receive, consider and adopt the Balance Sheet as on 31st March, 2012, Profit and Loss Account for the year 2011-12 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.

Now I would like to share with you, in brief, the salient features of the Corporation's performance during the year 2011-12.

Financial Performance

During the year 2011-12, the Corporation achieved a total income of ₹554.11 Crore, as compared to ₹ 764.93 Crore in 2010-11. Gross profit of ₹76.54 crore was achieved during the year 2011-12 as compared to ₹129.79 crore in the previous year 2010-2011. The total income and profits have declined with transfer of Licensee Catering segment to Railways. Except Catering, all other business segments of the Corporation have shown considerable growth.

The Net Worth of the Corporation reached ₹246.70 Crore as on 31.3.2012 as compared to ₹ 211.41 Crore as on 31.3.2011.

The Board of Directors has recommended a dividend of ₹9.70 crore as final dividend for the year 2011-12. This works out to 48.5% of the paid up Equity Share Capital.

The Comptroller and Auditor General of India has conducted the supplementary audit on audited accounts of the Corporation for the year ended 31st March, 2012 under Section 619(4) of Companies Act, 1956. The Company has just received CAG comments on the Annual Accounts of the Company for FY 11-12, the same alongwith Management reply thereto have been placed before the members.

Operational Performance:

1. Catering & Hospitality:

Mobile & Static units including Food Plaza, FFUs & NRC units

With the complete transfer of licensee units and partial transfer of departmental units to Railways, the Corporation is left with 39 mobile units (including 23 Duronto), 4 Base Kitchens, 14 Jan Aaharas and 10 Refreshment Rooms etc.

In respect of Static Catering, few residual departmental and licensee operated units are still with IRCTC which are in process of getting transferred to Zonal Railways.

The Corporation has added 12 more Food plazas/ Fast food units, taking the total to 97.

Under non railway segment, 30 units were opened during the year at various places taking the total number of such units to 39.

Central Kitchen

During the year, the Corporation opened a Central Kitchen (food factory), in Noida. The Kitchen has capacity to produce 10000 meals per day in the first phase with provision to produce 25000 meals per day in the 2nd phase. It is fully equipped with state of the art equipments from India and abroad. Both veg and non-veg meals are being prepared for supply to Railways and Corporate clients. Presently, Central Kitchen is supplying evening snacks to all Departmental Rajdhani trains and also serving meals to corporate clients in Noida/Greater Noida area.



Executive Lounge

During the year, the Corporation has undertaken setting up of “Executive Lounge” at New Delhi Railway station to provide pre-departure and post-arrival comforts to Railway passengers, on the lines of lounges at airports, as a pilot project. This is a new business area and such lounges are proposed to be set up at 50 stations.

2. Rail Neer:

On 11th July 2011, a new Rail Neer plant at Palur in Tamilnadu became operational. The plant is designed to make 1.8 lacs bottles per day on three shift basis. During the year from July onwards, the production at Plant has reached a level of 0.88 lacs bottles per day by March 2012 with working on two shift basis. The production at other Rail Neer plants i.e Nangloi and Danapur were 3.34 crores and 3.24 crores bottles respectively during the year as against installed capacity of 3.34 crores bottles at each plant.

3. Travel & Tourism:

The Corporation is offering complete Travel services to Corporate which include air ticketing, booking of domestic as well as international hotels, cab rental, passport and visa facilitation, insurance & forex. In the year 2011-12, to facilitate large number of Government offices, all Zonal offices have also started the Corporate Travel Services.

During the year, the Corporation launched a budget train for the convenience of Buddhist Pilgrims from Sri Lanka. This is a non-AC train from Chennai for the Buddhist Circuit with 15 and 21 days itineraries. During the year 2011-12, the train conducted 3 trips.

The Corporation has taken over the entire operations and marketing of Luxury Train “Maharajas’ Express” w.e.f. 8th January 2012. The response from the market has been very encouraging.

In addition to operation of Charter on various Hill Railway sections, the Corporation has introduced a Heritage Toy Train utilizing the Saloon Type Coaches on the Kalka-Shimla Railway. During the period February to April 2012, 14 trips were successfully run.

Further, the Corporation started FIT & Inbound travel service during the year. Travel and tour related arrangements were done for a group of 800 Chinese delegates and 300 other foreign students.

4. Internet ticketing:

During the year 2011-2012, the Internet ticketing segment has continued to be a driving force for the Corporation. Number of tickets booked through IRCTC website <https://www.irctc.co.in> during the year has gone up to 11.61 crore as against 9.69 crore tickets booked previous year. Almost 45-50% of total reserved tickets of Indian Railways are being booked through this site.

To extend its reach to customer, the Corporation has launched the website <https://www.irctc.co.in/mobile> for ticketing through mobile phones.

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.

As for future, the Corporation is poised to capture new opportunities in Railway and Non Railway Segment to sustain its high level of performance and at the same time shall continue to lay added emphasis on developing existing business lines.

Various initiatives are being taken up in this direction such as opening of new Cafeteria & Canteens, Highway Catering, Facility Management Services, Complete management of Hotels, and Guest Houses, Central Kitchen at other locations, in Catering Segment .

In Tourism, steps such as Introduction of a new rail, air package covering the five Takhts, Extension of the Buddhist Circuit special train to Orrisa, New Tour packages, launch of Outbound packages, organizing of events like International Heavy Haul Association(IHHA) Conference 2013 are being taken.

In package drinking water segment, steps like capacity enhancement of existing plants, setting up new Railneer plants at Ambernath, Bilaspur and six other locations are being taken. Further, a separate line of 500 ml. packaged drinking water at Nangloi plant for use of short journey Shatabdi passengers is also in process.

In Internet ticketing, the future thrust areas would be strengthening of Ticketing service by upgradation, introduction of value added services and diversification into areas like event ticketing, ticketing for foreign railways etc.

Performance Review

The performance of Corporation in terms of MOU signed with Ministry of Railways, Government of India for FY 2011 has been rated as 'Excellent'. For the year, 2011-12, the Corporation has achieved most of the physical and financial targets as required for "Excellent" grading.

Rajbhasha

The Corporation continued its thrust on the official language implementation in line with Govt of India's Policy. To promote use of Rajbhasha, number of steps have been taken like organizing workshops, providing training, organizing meetings, essay competitions, cultural activities, and publishing of bilingual House Magazine PRERNA etc. The e-ticketing site of the Corporation is bilingual.

During the financial year 2011-12, the Second Sub-Committee of the Parliamentary Official language Committee inspected the Mumbai office of the Western Zone in order to review the use of Hindi in the Corporation and appreciated the use of Hindi.

Corporate Social Responsibility

The Corporation has implemented its Corporate Social Responsibility (CSR) policy with an aim to ensure that the company becomes a socially responsible corporate entity contributing towards quality of life of the society at large without compromising on ecological conditions. During the year, a number of CSR projects such as Construction of Sulabh Toilet Complex on Buddhist Circuit route in Maharajganj-UP, Development of Model Village 'SUPI' in Mukteshwar, Uttarakhand and setting up of Gait Lab at 'Jaipur Foot' were taken up .

Corporate Governance

The Corporation is committed to confirming to the highest standards of Corporate Governance. As a good governance practice, the corporation has adopted a Code of Conduct for its Directors and Senior management and affirmation to adherence of same is received on annual basis. A Report on Corporate Governance as per DPE requirement has also been brought separately in the Directors' Report.

I, on my behalf and on behalf of the Board of Directors of the Corporation would like to place on record the deep appreciation for the valuable guidance provided and services rendered by Shri Vinay Mittal, the outgoing Chairman of Corporation, Shri Vinod Asthana, Ex- Director (Catering Services), Shri Vishwa Ranjan Gupta, Ex- Director (Finance) and Shri R. N. Bhardwaj & Shri R.K. Agrawal, Ex-Independent Directors. We acknowledge their contributions and commit ourselves to continue and strengthen this fruitful alliance in all times to come.

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/-

Place : NEW DELHI

Date : 27th September, 2012

**(K.K. Srivastava)
CHAIRMAN**



DIRECTORS' REPORT

To

The Shareholders,

It gives me pleasure to present, on behalf of the Board of directors, the 13th Annual Report on the working of the Corporation and Audited Statement of Accounts for the year ended 31st March 2012, 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 2011-12, the Corporation achieved a total income of ₹ 554.11 Crore, as compared to ₹ 764.93 Crore in 2010-11.

Profit before tax of ₹ 76.54 crore was achieved during the year 2011-12 as compared to ₹ 129.79 Crore in the previous year 2010-2011. The total income and Profits have declined due to handing over of Licensee catering segment to Railways.

The Net Worth of the Corporation reached ₹ 246.70 Crore as on 31.3.2012 as compared to ₹ 211.41 Crore as on 31.3.2011.

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

(₹ in Crore)

Particulars/Year ending	31 st March, 2012	31 st March, 2011
Profit Before Tax	76.54	129.79
Provision For Tax	28.00	68.06
Deferred Tax	-	0.94
Profit after Tax	48.54	60.79
Profit brought forward	14.50	12.84
Transfer to Reserves	35.00	45.00
Dividend (Including Dividend Tax)	11.25	14.13
Profit carried forward to Balance Sheet	16.78	14.50

2. CONTRIBUTION TO REVENUES OF RAILWAYS

During the year, the Corporation contributed a sum of ₹25.64 crore to the revenues of Indian Railways as against a sum of ₹55.59 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 ₹9646 crore were booked during the year as against ₹8007 Crore during the previous year through ticketing portal www.irctc.co.in.

3. DIVIDEND

A dividend of ₹9.71 crore (20% of net profit) excluding dividend tax is recommended for the year 2011-12, as against ₹12.16 crore (20% of net profit) paid in the previous year.

4. CAPITAL STRUCTURE

As on 31st March 2012, 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 of the Corporation.

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:

Licensee catering business generated an income of ₹30.38 crore in the year 2011-12 as compared to ₹316.26 crore in the year 2010-11. The decline in income of the segment is due to transfer of licensee catering business to Railways on implementation of Catering policy, 2010.

The departmental catering business generated an income of ₹197.64 crore in the year 2011-12 as compared to ₹198.58 crore in the year 2010-11. The NRC units contributed ₹ 10.79 crore to the total revenue in the year 2011-12 as compared to the ₹6.64 crore in the year 2010-11. The loss of departmental catering during the year 2011-12 has come down to ₹53.59 crore from ₹55.47 crore during the year 2010-11 in spite of high inflation rate in food products and no increase in sales prices.

With the complete transfer of licensee units and partial transfer of departmental units, Corporation is left with 39 mobile units (including 23 Duronto), 4 Base Kitchens, 14 Jan Aaharas and 10 Refreshment Rooms etc.

(i) Mobile Catering

IRCTC is providing catering in all newly introduced Duronto Trains. 39 mobiles units are under the management of IRCTC. Ministry of Railways has directed to continue to manage Duronto trains including newly introduced Duros.

(ii) Static Catering

In respect of Static Catering, the licensee Catering units have been transferred and only 33 licensee operated units are with IRCTC which will also get transferred to Zonal Railways.

As regards Departmental Units, 239 units continue to be with IRCTC, to be transferred later in phases.

(iii) Book Stalls

Ministry of Railways vide letter dated 28.03.12 has decided that all book stalls will now be managed by Zonal Railways instead of IRCTC. The Corporation is in process to transfer the book stalls to Zonal Railways in line with the decision of Ministry of Railways.

(iv) Executive Lounges

In the month of September 2011, Ministry of Railways has directed IRCTC to undertake setting up of "Executive Lounges" at Railway stations to provide pre-departure and post-arrival comforts to Railway passengers, on the lines of lounges at airports and has approved 50 locations on Indian Railways network to provide the facility of "Executive Lounge".

In line with the above directives, IRCTC has taken up setting up and management of Executive Lounge at New Delhi station as a pilot project which is likely to be commissioned in 2012-13. Ministry has also approved 50 locations on Indian Railways network to provide the facility of "Executive Lounge" at stations.

(v) Central Kitchen

During the year, the Corporation opened a State of Art Central Kitchen (food factory), in Noida. In the month of August-2011, the production of dry snacks such as assorted Sandwich was started, the



cooked food production and supply was started, in February 2012, after completion of trial phase. The Kitchen having built up area of 40000 Sq.ft. has capacity to produce 10000 meals per day in the first phase, with provision to produce 25000 meals per day in the 2nd phase. This is one of its kind ultra modern food factory and is in line with best flight catering kitchen.

It is fully equipped with state of the art equipments from India and abroad. Both veg and non-veg meals are being prepared for supply to Railways and Corporate clients. Indian snacks and sweets items are being prepared in most hygienic manner for which separate section has been earmarked in the kitchen. Presently, Central Kitchen is supplying around 6000 evening snacks to all Departmental Rajdhani trains and also serving approx. 3000 meals to corporate clients in Noida/Greater Noida area. During FY 2011-12 the turnover from the unit was ₹0.69 crore. For the FY 2012-13, the turnover is expected to be ₹10 crore.

(vi) Non-Railway Catering

The Corporation has diversified into related areas like - 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. 30 nos. of NRC units were added in 2011-12, taking the total number of NRC units to 39.

The following are the main sub-segments of the Non-Railway Catering areas:

- (a) **Catering** : Institutional Catering , Office Catering, Events Catering and management, Industries Catering, Highway Catering, Sports Catering, Metro Catering.
- (b) **Facility Management** : Housekeeping Services, Front Office Management, Laundry Services, Security Services, Horticultures Services, Pantry Support Services, Maintenance and other related services.
- (c) **Management of Hotels & Guest Houses** : Provision of Catering Services (Cafeteria and Room Services), Provision of House-keeping services, Laundry Services, Security Services , Horticulture, Maintenance and other related services.

During the year (2011-12) Corporation has signed MoUs with following institutions /organizations for providing Catering/Facility Management Services such as:

- (a) Writers Building, Kolkata
- (b) Bhabha Atomic Research Centre, Mumbai
- (c) Info Park, Cochin
- (d) IIM, Indore
- (e) District Court, Bhopal
- (f) Postal Training Centre, Vadodara
- (g) Bhilai Steel Plant, Bhilai
- (h) NIFTEM, Kundli, Sonapat
- (i) Chandra Shekhar Azad University, Kanpur
- (j) Rourkela Steel Plant, Orissa

(vii) BUDGET HOTELS

IRCTC having experience in managing Budget Hotels/Rail Yatri Niwases has approached State Tourism Board and State Industrial Corporation such as Punjab, Haryana, Chhattisgarh, West Bengal, Bihar, Tamilnadu, Kerala etc. to provide space for setting up of Budget Hotels. Proposals from Kerala and West Bengal Governments are in advance stages and likely to be finalized in 2012-13.

(VIII) QUALITY CONTROL SYSTEMS

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

Monitoring for HACCP compliance

Senior officers having professional experience of providing catering services, and completed Lead Auditor Course have been entrusted to monitor various Food Production Points to assure HACCP compliance.

Monitoring System - Customer Satisfaction Survey

In IRCTC, quality of Food & Service is assessed by conducting customer Satisfaction Surveys through Third Party professional agencies. During the year 2011-12, Duronto/Rajdhani trains as well as Food Plazas and Fast Food Units were covered under Customer Satisfaction Survey. The exercise was conducted twice, in Q2 and Q4 for 18 Duronto and 6 Rajdhani trains. The results of Q4 have shown an improvement of 3-5% in the case of Duros /Rajdhani Expresses, over Q2.

In view of the progressive handing over of Catering units, limited customer satisfaction surveys were conducted in the previous year 2010-11.

Also, Customer Satisfaction Surveys have been initiated in Food Plazas/Fast Food Units from year 2011-12. In the first phase, 89 such units were covered, out of which 33 units performed above 85%. For the remaining units, another round was conducted in Q4, after taking corrective actions which resulted in improvement of more than 90% as the Q4 survey reports, showed 64 units performed above 85%.

Food Safety Audit

Keeping in view the impact of food safety on public health, food safety audit is being conducted in IRCTC by third party agencies. During year 2011-12, 16 trains and 100 Food Plazas/FFUs were taken for conducting such audits. The performance in case of trains have been 75% and in case of Static units 70% which is above the target of 60%.

Food Safety and Hygiene audits of Non-Railway Catering units were also taken up in 2011-12 for the first time. A total of 10 units were covered and performance levels achieved were assessed to be above 70%.

ISO Certification

1. Quality of catering services has been enhanced through various quality measures including ISO certification. During the year 2011-12, 23 food plazas/fast food units were ISO certified taking the total number to 52. For the year 2012-13, target of ISO certification for additional 12 such units has been fixed.

Round the Clock Control Monitoring

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

Complaint Monitoring and Action Taken

During year 2011-12, 780 complaints were received from train passengers as against 1283 complaints during previous year 2010-11 thereby bringing the number of complaints down by 39%. Areas where complaints have reduced are Services, Quality, Hygiene, Staff behavior and Quantity of food served.



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

Setting up of Internal Food testing and Hygiene lab at Central Kitchen, Noida

During the year, 2011-12, an internal food testing lab was also set up in Central Kitchen, Noida. The microbiological tests for the cooked food, raw material as well as equipment/utensils and hand swabs are conducted regularly in lab to ensure the highest possible hygiene standards in food being supplied from kitchen.

II- INTERNET TICKETING:

The E-Ticketing Performance

E-ticketing has been one of the biggest success stories of e-governance in India 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.

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 using 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 refund process. The common man, not having computer / net access, is also able to get the e-tickets through various agent outlets (approx. 1.3 lakh) across 500 cities & towns. To further help the individual passengers, the online process of booking during 8 to 10AM (the crucial booking hours) was restricted during the year only for direct passengers by prohibiting agent bookings. The Tatkal ticket booking timings have been shifted to 10AM to 12 AM w.e.f. 10.7.2012. 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 has been further strengthened. The IT Anti Fraud Cell monitors booking on regular basis to detect any malpractices. Further, efforts are made for continuous upgradation of the site and ensuring highest level of security.

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 almost 5 Lakhs tickets in a single day. The value of tickets booked has gone up to ₹9,646 crore during the year 2011-12 as against ₹8,007 crore during the previous year. Number of tickets booked (both E and I tickets) through IRCTC website during the year 2011-12 has gone up to 11.61 crore tickets (20.99 crore passengers) as against 9.69 crore tickets (17.42 crore passengers) booked during 2010-11.

The booking of railway tickets through internet is 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.

IRCTC ticketing website continues to be considered a benchmark in the e-commerce industry. The numbers of transactions on the website are among the highest on the Asian Continent.

IRCTC is now looking at adopting technologies of the future to keep up with the changing technological environment. Ticketing through mobile is one such measure taken up during the year.

Mobile booking

Keeping in view the large number of mobile users in the country and the huge potential of this medium, IRCTC has launched the website <https://www.irctc.co.in/mobile> for ticketing through mobile phones. IRCTC mobile website is convenient and easy to use, can be accessed from any browser enabled mobile having basic GPRS activated on phone. At present about 1000 tickets per day are booked through mobile.

There is huge potential of growth of mobile commerce in next few years. IRCTC is working aggressively towards evolving platform for booking through various technologies using mobiles viz. IVRS, SMS, USSD, mobile applications etc.

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 2011-12, 23.50 crore voice calls and 6.27 crore SMS were handled as compared to 24.68 crore voice calls and 2.65 crore SMS in 2010-11.

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, Dambadiva Vandana (Non-AC Buddhist Circuit Train ex-Chennai), 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 Corporate Travel Services. In 2011-12, Corporation has also taken on the full operation and management of the Maharajas' Express.

Travel & Tourism Business generated an income of ₹98.95 crore in the year 2011-12 as compared to ₹67.04 crore in the year 2010-11 recording a growth of 47.6%.

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. These are highly popular trips operating at peak occupancies. 63 Bharat Darshan trips were operated across the country during the year 2011-12 as against 60 trips during the previous year.

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 with the objective of providing a safe, comfortable and reliable tour package for international as well as domestic travelers on this circuit. So far, visitors from more than 30 countries have travelled on the train and rated its services as excellent. During the year 2011-12, a number of additional amenities and facilities have been provided on the train and it has been got ISO certified.

Dambadiva Vandana (Buddhist Train ex- Chennai)

During the year, IRCTC launched a budget train for the convenience of Buddhist Pilgrims from Sri Lanka. This met a long pending demand which had come up in the Indo-Sri Lankan bilateral talks also. This is a non-AC train from Chennai for the Buddhist Circuit covering Chennai- Sanchi- Sarnath- Vaishali -Bodhgaya- Rajgir- Nalanda- Kushinagar- Lumbini - Sravasti - Sankasia- Agra- Delhi- Chennai over 15 and 21 days itineraries. During the year 2011-12, 3 trips were conducted.

Tour Packages

IRCTC operates all inclusive Rail Tour Packages across the country, which include confirmed rail travel, road transfers, accommodation, meals and sight-seeing at reasonable rates. Operations of the tours were further strengthened and streamlined. Special packages for persons of Indian Origin (PIOs) were also launched in collaboration with Ministry of Tourism and Ministry of Overseas Indian Affairs.

Educational Tours

IRCTC operated educational tours for students under its "travel to learn" scheme and has tied up with the Kendriya Vidyalaya Sangathan and various State Governments as well as private schools for operating educational tours for children. In addition to this, Local day tours were also launched for students. Tours



under Sarva Sikhsha Abhyan (SSA) were extended to Kerala & Puducherry. Corporation introduced tours under Rashtriya Madhyamik, Siksha Abhiyan (RMSA) from Guwahati.

Corporate Travel

IRCTC is offering complete Travel services to Corporates which include air ticketing, booking of domestic as well as international hotels, cab rental, passport and visa facilitation, insurance & forex. In the year 2011-12, the Corporate Travel Services has started from all Zonal offices to facilitate large number of Government offices.

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, has become popular among the travelers and offers various Travel and Tourism services such as on-line booking of tourist trains, tour packages, hotels, cab rental, air tickets as well as Luxury tourist trains. During 2011-12, a number of new packages, packages for PIOs etc. have been launched on IRCTC's Tourism Portal. Tie up was also finalized with a leading GDS for direct provision of air bookings by IRCTC.

IRCTC Luxury Train

IRCTC owns a top end super Luxury Train which was launched under the name of Maharajas' Express in March, 2010.

Despite making all efforts to ensure proper management of the train and fair and transparent functioning of the JV set up to manage the train, IRCTC was forced to terminate the JV agreement and take over direct operation of the train, to safe guard its interests. This action of IRCTC was challenged by Cox & Kings in the High Court as well as in the Supreme Court to seek interim orders. Both the Hon'ble Courts decided in favour of IRCTC and vindicated IRCTC's stand and acts.

In terms of the Court orders, IRCTC is looking after the entire operation of the train from January 2012. A number of improvement & changes in itineraries, pricing, agent policy has been done which were necessary to improve the customer experience and to make the train financially viable as also bring about transparency in dealings with affiliates. These steps by IRCTC have been very well received in the market.

In the year 2011-12, the train operated 31 trips as compared to 28 trips in the previous year. From January onwards the train has been independently operated by IRCTC where 14 journeys were successfully completed upto April 2012.

Hill Charter

In addition to operation of Charter on various Hill Railway sections, IRCTC has introduced a Heritage Toy Train utilizing the Saloon Type Coaches on the Kalka-Shimla Railway. During the period Feb. to April 2012, 14 trips were successfully run.

FIT/ Inbound travel services

IRCTC has started the FIT & inbound travel services in the year 2011-12. IRCTC has organised travel and other tour related arrangements for a group of 800 Chinese delegates. Tours were organized for 300 foreign students as part of study exchange programmes.

Bharat Tirth

Two special Bharat Tirth trips were operated over 2011-12 comprising special pilgrimage itineraries.

IV- PACKAGED DRINKING WATER (RAILNEER)

During the year 2011-2012, a new Packaged Drinking Water Plant with installed capacity of 1.8 lac bottles/day has been commissioned at Palur (Chennai) and has become operational since July 2011.

The production of Rail Neer at Nangloi and Danapur plants were 3.34 crores and 3.24 crores bottles respectively as against installed capacity of 3.34 crores bottles at each plant. The production of new plant Palur was 1.76 Crore bottles as against installed capacity of 2.45 crores bottles. Turnover for the segment for the year 2011-12 was ₹45.03 crore, which did not include intersegment sale amounting to ₹13.05 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, Uttarakhand, 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 newly commissioned plant at Palur is distributed on trains starting from two metro cities in South India viz Chennai and Bangalore. Further it is distributed to states of Tamilnadu, Karanataka, Andhra Pradesh and to some parts of Kerala.

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

Rail Neer Plant, Danapur is already complying ISO: 9001- 2008 quality management system certification. Rail Neer Plant, Nangloi has also got certified during the year 2011-12. Rail neer Plant, Palur is in the process of getting ISO: 9001:2008 and likely to get certification in the year 2012-13.

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

6. FUTURE GROWTH STRATEGIES

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.

With this expertise in hand and support of the Ministry of Railways, IRCTC is set to take new initiatives in various fields as explained in this report. IRCTC is further 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

IRCTC is hastening its efforts for capturing the Catering & Hospitality Business by taking various initiatives. We have a team of experts especially trained to execute undertaken projects as per the requirement of clients.

A number of projects have been identified and are at various stages. Some of the major ones are:

- a) Catering - Cafeteria & Canteen
- b) Highway Catering
- c) Facility Management Services DMRC - Food Kiosks
- d) Complete Management of Hotels and Guest Houses



(ii) Executive Lounges

Need for provision of AC paid lounges at Stations has been felt and discussed for a long time. IRCTC has taken the initiative to fulfill the need and is in the process of setting up an Executive Lounge at New Delhi station as a pilot project. The Railway Ministry has also approved 50 locations on Indian Railways to provide such lounges.

(iii) Central Kitchen

The Corporation's principal objective is to cater to the demand of high quality food at reasonable prices to the largely untapped MNCs, BPOs, PSU, Educational Institutions etc. The food is required to be of highest quality, nutritional value, variety of cuisines within existing budgets & logistics.

To capture this vast untapped market, Corporation has opened a food factory, having built up area of 40000 Sq.ft. with a capacity of 10000 meals per day in the first phase which can be scaled up to 25000 meals per day in the second phase. This is one of its kind fully automated ultra modern food factory and is in line with best flight catering kitchen.

Central kitchen is in the process of acquiring ISO 22000:2005 certifications. The primary gap audit has been conducted and the process is expected to be completed in year 2012-13.

Looking at the potential, the Corporation is exploring the possibility of replicating this model in other locations in the times to come.

(iv) Budget Hotels

Budget hotels were an important component of the Company's original mandate. The Company is successfully operating four brownfield properties on PPP basis and is in discussions with various State Government / Agencies for growth in this area.

Apart from this, Ministry of Railways has also been approached to reconsider its decision and approve setting up of Budget Hotels at Railway premises by IRCTC.

In addition to the above, issue regarding transfer of management of Multi Functional Complexes (MFC), Retiring Rooms, etc. is also under consideration of the Railway Ministry.

B. INTERNET TICKETING -Future potential and planning

Future thrust areas in Internet Ticketing would be :

- (a) Upgradation, strengthening of Ticketing Services on www.irctc.co.in.
- (b) Provision of new services / facilities for e-ticketing such as mobile booking applications for various platforms and SMS facilities.
- (c) Value added services to customer on the IRCTC website
- (d) Diversification into related areas such as event ticketing, ticketing for other Railways, e-commerce.

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, inbound as well as outbound travel services for individual travelers, institutional travel etc. 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 Corporate, especially PSUs.
- **Buddhist Circuit Travel:** IRCTC has enhanced services on this circuit by launching a special train from Chennai and is also working on development of a new rake for Mahaparinirvan Express.
- **Deluxe Tourist Train:** IRCTC is working on a project to launch a mid end tourist train.
- **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.
- **FIT/ Inbound/ Outbound packages:** IRCTC would increase the services in different market segments.
- **IHHA:** IRCTC has been entrusted with the organizing of International Heavy Haul Association (IHHA) Conference 2013 to be held in New Delhi.
- **Sikh Train -** IRCTC is launching a Rail cum air package on the Sikh Circuit, covering five takhts in collaboration with Punjab Heritage Tourism Promotion Board (PHTPB).
- **Eco Tourism-** IRCTC plans to operate Eco-tour packages for NGOs, private institutions as well as for students.
- **Tourism CSR Projects-** MOU has been signed with TERI for CSR project at Mukhteshwar, Uttarakhand. The CSR project with SPIC MACAY is under process to promote culture and heritage of India amongst youth.

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 capacity is 3.8 lac bottles/day, which shall become 5.8 lac bottles/day by end of 2013 when plant at Ambarnath (Mumbai) will become operational. This will be about 19% of total requirement.
- Railway Board has approved the proposal to set up a Rail Neer Plant at Bilaspur on "company owned" model. The taking over of land and other preliminary work shall be completed by the end of FY 2012-13 and with optimum project management, the plant is likely to be completed in FY 2013-14. It is planned to have 90 thousand bottles per day capacity. Railway has already finalized the site near Bilaspur Railway Station on the bank of Arpa River.
- As per Railway Budget announcement, Ministry of Railways has entrusted IRCTC the work of setting up six packaged drinking water plants under PPP mode at Ambala, Amethi, Farakka, Mal, Nashik and Trivendram. Action is being taken to take over land from the Railways. Once the land licensing policy for PPP projects is finalized, it shall take about two years to setup the plants.
- Further in an attempt to address unsatisfied demand of drinking water in Delhi area, another PDW plant is being planned in NCR region.
- To address the issue of wastage of drinking water, steps are being taken to setup a production line for 500 ml bottle at Nangloi plant. The 500 ml Rail Neer bottles will be served in Shatabdi trains having travelling time up to 5 hours.

7. Awards / Recognition

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

- 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.
- IRCTC has won the GMR Travel World Award 2010 for "Excellence in Operations" for Bharat Darshan/Bharat Tirth trains.

8. HUMAN RESOURCE DEVELOPMENT AND TRAINING INITIATIVES

During the year, greater focus was given on training of various levels of manpower in IT/Tourism/Catering/HRD and Finance departments which resulted in achieving a total of 5854 mandays of training in the year 2011-12 in Corporate Office as well as various zones which has far exceeded the training targets of 3200 mandays for the year of 2011-12.

The training programmes were organized for staff at Customer Care Centre, Delhi and reputed Regional and Government institutes, both in Corporate office and zones.

Further, to professionalize and ensure smooth functioning of the organization, 22 Executives, and 18 Supervisors were appointed in IRCTC through open advertisement and campus recruitment during the year 2011-12.

The total manpower at the close of the financial year 2011-12 i.e. on 31st March, 2012 was 1762 which includes 370 Executives and 1392 Non-Executives.

9. INDUSTRIAL RELATIONS

Cordial industrial relations were maintained during the year.

10. VIGILANCE

- The Vigilance Department is presently headed by full fledged Chief Vigilance Officer and has constantly endeavored 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.
- The Vigilance Awareness Period was organized during 31st October, 2011 to 5th November, 2011. 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. During the period, 20000 fliers were published and distributed in the trains to educate the passengers/customers about things they should keep in mind while booking e-ticket through agents.
- Performance of the Vigilance Department is reviewed regularly by the CVC and Managing Director/IRCTC.
- IRCTC has adopted the "Whistle Blower policy" in September, 2011.

11. IMPLEMENTATION OF THE OFFICIAL LANGUAGE

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

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

During the financial year 2011-12, the Second Sub-Committee of the Parliamentary Official language Committee inspected the Mumbai office of the western zone in order to review the use of Hindi therein. The Committee appreciated the use of Hindi by the west zone.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

13. 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.

14. 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**.

15. 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 2012, 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 2012, on a 'going concern' basis.

Consequent to the notification of Revised Schedule VI under Companies Act, 1956, the financial statements for the year ended on 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, previous year figures have been re-arranged/regrouped and re-casted, wherever necessary to make comparable with the current year figure.

16. COMMENTS OF COMPTROLLER AND AUDITOR GENERAL

The Comments on the accounts for the year ended 31st March, 2012 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 forms part of the Annual Report.

17. 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.

During the year 2011-12, Corporation has achieved most of the physical and financial targets as required for 'Excellent' grading. The comparison of the MoU financial targets and actual performance for the year 2011-12 is given in the Management Discussion and Analysis Report placed at **Annexure-I**.

The Performance rating of the Corporation for the year 2008-09, 2009-10 and 2010-11 have been 'Excellent'.



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 2012-13.

18. CORPORATE SOCIAL RESPONSIBILITY

IRCTC's Corporate Social Responsibility Policy (CSR) 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 ₹1.82 crore has been earmarked by the Corporation for CSR activities for the year 2011-12. During the year, following CSR projects/initiatives were undertaken:

Sulabh Toilet Complex on Buddhist Circuit

Project for construction and maintenance of Sulabh Complex was undertaken in association with Sulabh International. Under the project a Sulabh Toilet Complex has been constructed on the Buddhist Circuit route from Gorakhpur (near Anand Nagar, Pharendra) to Nautanva in the district of Maharajganj, Uttar Pradesh for tourists and other travelers on Buddhist Circuit. The Project was completed during March 2012. IRCTC contribution on the construction has been ₹25.11 lacs of which an amount of ₹15.06 lacs was paid in 2011-12. Sulabh in financial support of IRCTC has been maintaining this Complex. The Complex is being used extensively by Tourists and general public.

Development of Model Village "Supi" in Mukteshwar, Uttarakhand

During the year, a project named Development of Model Village "Supi" was taken up alongwith The Energy and Resources Institute (TERI) at an estimated cost of Rs. 50.56 Lacs. Under the project, a Rain water harvesting system in village "SUPI" in Mukteshwar, Uttarakhand will be established for storage of Rain Water for the use of villagers & to meet their irrigation requirement. Further project also includes promotion of Agriculture & Horticulture activities in village and distribution & use of Alternate Energy Solutions like improved cook stoves and solar lanterns.

Setting up of Gait lab by Jaipur Foot

A project for setting up a Gait lab has been undertaken in association with BMVSS (also known as 'Jaipur foot'). Under the project, a Gait Lab will be established at Medical Facilities at Jaipur foot, Jaipur. With the addition of Gait Lab, BMVSS, working for persons with locomotor disability, would be able to qualitatively enhance its already existing state of art infrastructure and thereby help large number of disabled persons, mostly poor. IRCTC is contributing an amount of Rs. 57 Lacs towards the total cost of Rs. 91.40 lacs.

OTHER INITIATIVES

"Hunar Se Rozgar" (HSR) Training Programmes conducted by IRCTC

IRCTC conducted two short term courses in Food Production and F&B Services under "Hunar se Rozgar" CBSP scheme of Ministry of Tourism to develop skill of under privileged, unemployed youngsters of the age group 18-28 yrs, thereby helping them to get employment opportunity. Training was conducted at CCI/DKZ, IRCTC Base Kitchen, NDLS, Ginger Hotel, IRCTC Central kitchen, Noida and various other NRC units.

IRCTC has successfully completed the first batches of the aforesaid courses from 14.05.2012 to 07.07.2012.

HSR Trainees were provided with uniforms, tool kits, study material and lunch during the training period. In addition, they were also given stipend of ₹1500/- and ₹2000/- respectively.

After the conduction of exam, all successful HSR trainees were provided with certificates. IRCTC helped them in placement and all are now placed in various sections of Hospitality industry.

19. SUSTAINABLE BUSINESS DEVELOPMENT

Sustainable development is a difficult balancing act in countries especially with low incomes. Society has to simultaneously accomplish three things with trade-offs: improve economic well-being with social justice for the present generation, yet manage with more restrained use of land, air, forest, energy and water resources, and protect the interests of future generations. The choices are more difficult in developing countries-because they affect people's livelihoods. For such a 'stewardship' to succeed, it has to respond to people's needs, share information on choices and costs, and ensure participation and ownership.

The growing challenges of sustainable development and climate change need to be addressed. Pressures on land, air, water, forests and loss of plant and animal habitat are growing. At the same time, a warming planet is already causing adverse effects, such as more frequent extreme weather events. The science and evidence of climate change are compelling. Both India and the world are reviewing the challenges ahead.

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.
- Steps have been initiated for installation of Zero liquid discharge system in Nangloi Rail Neer plant.
- Tree plantation at Railneer plants.
- 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.

20. AUDITORS

M/s Bhushan Bensal Jain Associates, Chartered Accountants, New Delhi were appointed as Corporation's Statutory Auditors for the year 2011-2012 by Comptroller and Auditor General of India, New Delhi.

21. BOARD OF DIRECTORS

During the year, K.K.Srivastava, Member Traffic, Railway Board joined the Board of the Corporation as Chairman on 20.10.2011 in place of Shri Vinay Mittal, who ceased to be Chairman of the Corporation w.e.f 20.10.2011. The Board wishes to place on record its appreciation and gratitude for the valuable guidance and services rendered by Shri Vinay Mittal during his association as Chairman of IRCTC.

Shri Vinod Asthana and Shri Vishwa Ranjan Gupta, Functional Directors resigned from the Board of Directors of the corporation w.e.f 10.02.2012 and 18.05.2012 respectively. Shri R.N. Bhardwaj and Shri R.K. Agrawal, Independent Directors ceased to be the directors, on completion of their tenure of three years on 21.01.2012. The Board wishes to place on record its appreciation for the valuable guidance and services rendered by them during their association on the Board of Directors of Corporation.

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



The Board met six (6) times during the year for transacting business. Following Directors held office as on the date of the Report :-

Shri K.K. Srivastava, Chairman.

Shri Rakesh Kumar Tandon, Managing Director.

Dr. Nalin Shinghal, Director (Tourism & Marketing).

Smt. Mani Anand, Government Director.

Shri Sanjay Arora, Independent Director

Shri Alok Shivapuri, Independent Director

Dr. Subhash Datta, Independent Director

22. AUDIT COMMITTEE

The Audit Committee of Board of Directors met three (3) times during the year for transacting business and following Audit Committee Members held office during the year 2011-12: -

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.

No meeting of the Audit Committee could be held from January, 2012 onwards due to the position of all the Independent Directors falling vacant due to expiry of their tenure.

Ministry of Railways vide order no. 2008/PL/49/1 dated 20.07.2012 has nominated Shri Sanjay Arora, Practicing Chartered Accountant, Shri Alok Shivapuri, Principal IHM Pusa, New Delhi and Dr. Subhash Datta, Director, IMT, Nagpur as new Independent Directors on the Board of Corporation w.e.f. 20.07.2012.

23. ACKNOWLEDGEMENT & APPRECIATION

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

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

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

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

For and on behalf of the Board of Directors

Place : NEW DELHI
Date : 7th September, 2012

Sd/-
(K.K. Srivastava)
Chairman

Annexure-I to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(1) INDUSTRIES STRUCTURE AND DEVELOPMENT

ECONOMIC SCENARIO

All major countries including the fast growing emerging economies are seeing a significant slowdown. The global economic environment which was tenuous at best throughout the year, turned sharply adverse in September, 2011, owing to the turmoil in the euro-zone countries and questions about others, reflected in sharp ratings downgrades of sovereign debt in most major advanced countries.

In 2011-12, India found itself in the heart of conflicting demands such as managing growth and price stability. However in comparison to global economic environment, India remains among the front-runners. With agriculture and services continuing to perform well, India's slowdown can be attributed to global factors and domestic factors like the tightening of monetary policy owing to high and persistent headline inflation and slowing investment and industrial activity.

The services sector has been a major and vital force steadily driving growth in the Indian economy for more than a decade. The economy has successfully navigated the turbulent years of the recent global economic crisis because of the vitality of this sector in the domestic economy and its prominent role in India's external economic interactions.

All the three major sectors of the economy, namely agriculture, industry, and services witnessed higher-than-trend growth rates at 3.9 percent, 8.0 per cent, and 9.6 per cent respectively. Clearly the services sector has emerged as the key driver of growth in the Indian economy. The growth of this sector has shown the least inter-temporal variations. With the declining share of the agriculture sector and reasonably consistent growth in the services sector, the variations in growth rate of GDP are lately being associated with the variations in the industry sector.

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\$258 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 option and demand for variety of hygienic & healthy food.

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 the international norms.

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

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



Hospitality Overview

The Indian hospitality industry is projected to grow at a rate of 8.8 per cent during 2007-16, placing India as the second-fastest growing market in the world.

The Indian hotel room market for 10 metros is estimated to expand at a CAGR of 17 per cent. According to a study by Knight Frank India, in terms of the number of rooms sought per day, the hospitality sector is estimated to grow at a CAGR of 10.3 per cent.

IRCTC having experience in managing Budget Hotels/Rail Yatri Niwases has already approached State Tourism Boards and State Industrial Corporations such as Punjab, Haryana, Chhattisgarh, West Bengal, Bihar, Tamilnadu, Kerala etc. to provide space for setting up of Budget Hotels. Proposals from Kerala and West Bengal Governments are in advance stages and likely to be finalized in 2012-13. Apart from this, Ministry of Railways have also been approached to reconsider its decision of setting up of Budget Hotels at Railway premises. Railway Board is also considering transfer of management of Multi Functional Complexes (MFC), Retiring Rooms, Pre-arrival and Post-Departure facilities etc.

IRCTC has taken up setting up and management of Executive Lounge at New Delhi station as a pilot project. Ministry has also approved 50 locations on IR to provide such lounges.

Tourism Industry Overview

India's tourism industry is experiencing a strong period of growth, driven by the burgeoning Indian middle class, growth in high spending foreign tourists, and coordinated government campaigns to promote 'Incredible India'. The tourism industry in India is substantial and vibrant, and the country is fast becoming a major global destination. India's travel and tourism industry is one of them most profitable industries in the country, and also credited with a substantial amount of foreign exchange earnings.

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

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

India by rail offers a fascinating odyssey through time and space, cultures and history offering magical glimpses of unity amidst diversity, shrouded in enchanting, mystery colors that captures the heart while soothing the soul.

The country has an extensive network of railways covering multitude of tourist destinations. It runs train services all over the country which cater to different type of travelers.

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

SWOT Analysis

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 21 million customers
- 3) Large agent network

Weakness

- 1) Revenues largely 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) Policy directives issued from time to time on catering & internet ticketing.
- 2) 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 segment namely, Licensee Catering, Departmental Catering and packaged drinking water 'Railneer'.

Licensee Catering Business:

During the year 2011-12, the Licensee catering business registered an income of ₹ 30.38 crore as against ₹ 316.26 crore achieved during 2010-11. The Segment result (profit) achieved was ₹ 9.42 crore during the year 2011-12 as against ₹ 78.74 crore during the year 2010-11. 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.

Departmental Catering Business:

The Departmental Catering business registered an income of ₹197.64 crore during the year 2011-2012 as against ₹198.58 crore achieved during year 2010-11. The NRC units contributed ₹ 10.79 crore to the total revenue of the Departmental Catering Business in the year 2011-12 as compared to the ₹ 6.64 crore in the year 2010-11. The loss of Departmental catering during the year 2011-12 has come down to ₹53.59 crore from ₹55.47 crore during the year 2010-11 in spite of high inflation rate in food products and no increase in sales prices.

Railneer business:

During the year 2011-12, the Railneer business registered an income of ₹45.15 crore as against ₹23.96 crore achieved during year 2010-11. This does not include sale of Rail Neer through departmental catering,



amounting to ₹13.05 crore as against ₹19.36 crore in the previous year. The loss during the year was ₹ 0.82 crore as against profit of ₹2.73 crore during the previous year, which is on account of increase in allocable expenditure, which has gone up due to increase in turnover of the segment and significant decrease in turnover of licensee catering segment.

Tourism business :

During the year 2011-12, the Tourism business registered an income of ₹98.95 crore as against ₹67.04 crore during year 2010-11, indicating a growth of about 48%. The growth is due to operation of Maharaja Express by IRCTC from 08.01.2012, Air Ticketing and also increase of revenue from in package tourism. The Segment result (loss) of ₹10.83 crore was suffered during the year as against ₹6.22 crore during the Previous year. Though the operating profit went up from ₹3 crore in FY 2010-11 to ₹ 4.86 crore in FY 2011-12. The segment loss is mainly due to allocation of common allocable expenses as explained above.

Internet Ticketing business :

During the year 2011-12, the Internet Ticketing business registered an income of ₹160.64 crore as against ₹142.92 crore achieved during year 2010-11. The Segment profit was ₹111.01 crore during the year as against ₹94.14 crore during previous year. Increase in internet ticketing was witnessed due to upgraded infrastructure and improved customer care services.

(3) OUTLOOK

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

The Corporation has diversified into non-railway catering and related areas like - 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.

(4) RISKS AND CONCERNS

Catering :

The management & supervision of catering services was handed over to IRCTC in 2005 and as per Catering Policy 2010 except for food plaza, fast food unit, food courts & certain departmental catering units, all other catering activities have been transferred back to Railways. Such changes in policy affects the overall strategy and long term goals of the Corporation. Further, tariff for catering services is Government controlled, making it difficult to meet customer expectations and business needs.

Intense competition from private players in Packaged Drinking Water segment, since the market is quite unorganized and evasion of taxes is rampant thereby bringing down cost of production and supplying product at cheaper rates.

With having no time frame of transfer of residual departmental units to Zonal Railways, IRCTC is unable to make long term plans for HR requirement, Business/Operational plans etc.

Internet Ticketing :

Internet ticketing services for Indian Railways are the main source of profits for the company - especially after taking back of the licensee catering by Indian Railways. The company gets a service charge of Rs 10 and Rs 20 per ticket respectively for non-AC and AC class tickets respectively. Recently, the company has received communication from the Ministry of Railways that the service charge revenue is to be shared in the ratio of 20:80 with Indian Railways. This will have the impact of reducing the revenues from Internet Ticketing by 20% directly.

The plans for expansion of internet ticketing capacity were instructed to be put on hold from 2009 in view of the proposed launch of the Commercial Portal by the Indian Railways. After the launch and subsequent closure of the commercial portal, the company has initiated a number of steps to increase the infrastructure capacity for internet ticketing. As a result of these steps, the company has been able to increase the booking from 2.79 lakh tickets per day in March 2011 to 3.35 lakh tickets per day in July 2011.

The ministry of railways have further decided that new software/hardware for internet ticketing will be developed and managed by CRIS for which the company will bear the cost. As per estimates received so far, this expense is likely to be over Rs 100 Crores.

In order to address the risks associated with e-ticketing, disaster recovery site is planned to maintain business continuity in the event of any eventuality. An inhouse team has also been constituted to ensure risk preparedness to thwart any attacks on website.

Rail Neer:

Refilling of used Railneer bottles is a constant concern since it can cause passenger complaints and litigations. To overcome it, there is a proposal to introduce IT based product verification.

There is intense competition from private players in Packaged Drinking Water segment, since the market is quite unorganized and evade taxes thereby bringing down cost of production and supplying product at cheaper rates.

Main raw material for Rail Neer is water, which is a very important natural resource. With increase in population, there will be more pressure on this natural resource. Therefore water conservation and Specific water consumption (amount of water used to produce one liter of finished water) has to be constantly monitored. Concepts of Zero Liquid discharge have to be adopted.

(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 for FY 2011-2012. Internal audit covers all areas of operations of IRCTC as per annual Internal Audit Programme. The internal audit report for FY 11-12 has been received and observations are being taken up at management level. Internal Audit helps in improving accuracy and efficiency of transactions and operations by undertaking review of controls in built, scrutiny of payments and expenditure, and examination of financial and technical records of the Company.

INTEGRITY PACT

'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 adoption of Integrity Pact by IRCTC has helped in establishing healthy business practices.

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

During the year 2011-12, the Corporation achieved a total income of ₹554.11 crore as compared to ₹764.93 crore in 2010-11. The decline is due to handing over of Licensee catering business to Railways. The revenue of Licensee catering has come down from ₹316.26 during 2010-11 to ₹30.38 crore in 2011-12 due to transfer of Catering business to Railways as per Catering Policy 2010.



Profit before tax of ₹76.54 crore was achieved during the year 2011-12 as compared to ₹129.79 crore in the previous year. Overall net profit has declined to ₹48.54 crore in Financial year 2011-12 as compared to ₹60.79 crore in financial Year 2010-11.

MOU for the year 2011-12 with Ministry of Railways

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

MOU Parameters	MOU 2011-12	Actual 2011-12
Gross Margin/Gross Block (%)	30.48%	51.06%
Net Profit/ Net Worth (%)	12.26%	19.68%
Gross Profit/Capital Employed (%)	20.88%	31.28%
Gross Margin(₹ in Crore)	66.15	91.28
Gross Sales(₹ in Crore)	510	518.57
PBDIT/Total Employment (₹ in lakh per person)	3.00	5.18
Added Value/ Gross Sales (%)	9.23 %	12.88%

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

During the year 2011-12, HRD in IRCTC has been rigorously involved in recruitment, training and promotion.

Recruitment :

Recruitment was done prominently in IT, Tourism, Catering and Finance departments, wherein 40 employees were recruited in these departments.

Training :

HRD has focused on training of various levels of manpower in IT/Tourism/Catering/HRD and Finance departments and achieved a total of 5854 mandays of training in the year 2011-12 in Corporate Office as well as various zones which has far exceeded the training targets of 3200 mandays for the year of 2011-12.

Manpower :

There were a total of 1762 nos. of employees on rolls of IRCTC as on 31.03.2012, which includes 370 Executives and 1392 Non-Executives.

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

Corporation is fully aware of its responsibility towards keen and safe environment. In this direction corporation has taken following various steps:-

- Installation of grease traps for water pollution
- Installation of exhaust scrubber to control air pollution
- Use of acoustics in generator room
- Provision of garbage cold room to prevent land pollution.
- Provision of Solar evaporation ponds for treating high TDS water.

In addition to the above use of solar energy, induction plates and safe discharge of waste water in recharge pits to recharge the water table is also being carried out.

(9) CORPORATE SOCIAL RESPONSIBILITY

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

(10) SUSTAINABLE BUSINESS DEVELOPMENT

Initiatives 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	2011-2012	2010-2011
1. Electricity:		
a) Purchased:		
Units ('000 KWH)	4503.93	3200.37
Total Amount (₹ In Lac)	255.39	148.38
Rate/Unit (₹/Unit)	5.51	4.63
b) Own Generation:		
Through Diesel Generator-		
Units ('000 KWH)	152.73	73.92
Units per ltr. of diesel oil	3.56	2.70
Cost/unit (₹/Unit)	12.34	14.69
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Natural Gas	Nil	Nil

B. Consumption per unit of production:

Particulars	Electricity (KWH/per 100 Bottles)		Furnace oil		Natural gas		Coal	
	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11
Railneer Packaged Drinking Water	5.57	5.11	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:

- Installation of CCTVs with remote viewing facility on the Buddhist Circuit Special Train. - Total expenditure - 4,02,632/-
- Incorporation of UF reject water recycling system at Rail Neer Plant Nangloi, resulting in saving of about 18000 ltrs. water per day.
- Installation of Secondary Reverse Osmosis (RO) Unit at Rail Neer Plant, Nangloi to treat reject water from the main RO, resulting in saving of approx. 40,000 ltrs. water per day

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

Improvement of Security on train

3. Future plan of action:

To reduce cost of packaging in the Rail Neer bottle, LDPE shrink film in place of corrugated box packing and Automatic wrap around labeling in place of PVC shrink labeling will be started to use in FY 2012-13. Preform and Cap will be redesigned to reduce weight. Further R&D initiatives as per MOU targets 2012-2013 will also be undertaken during FY 2012-13.

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

(₹ In Lac)

Sr. No.	Particulars	2011-12	2010-11
A	Capital	17.81	Nil
B	Recurring	Nil	Nil
	Total	17.81	Nil
	Total R&D Expenditure as a percentage (%) of turnover	0.03	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	2011-12	2010-11
Foreign Exchange Earnings	1252.82	1327.47
Foreign Exchange Outgo:-		
Foreign Travelling Expenses	44.23	25.22



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.

The Company adheres to good corporate practices and constantly strives to improve the same:

2. Composition of the Board:

The Board of Directors as on 31st March, 2012 consists of a Part time Chairman, a Managing Director, two Functional Directors and one Government Nominee.

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

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

(a) Changes in Board of Directors:

Shri K.K.Srivastava, Member Traffic, Railway Board, Ministry of Railways, became Chairman of IRCTC w.e.f. 20.10.2011 in place of Shri Vinay Mittal who ceased to be Chairman of the Corporation w.e.f. 20.10.2011.

Shri R.N.Bhardwaj, and Shri R.K.Agrawal, Independent Directors have ceased to be Independent Directors w.e.f. 22.01.2012 from Board of Directors on completion of their tenure.

Shri Vinod Asthana and Shri Vishwa Ranjan Gupta, Functional Directors resigned from the Board of Directors of the Corporation and ceased to hold directorship w.e.f. 10.02.2012 and 18.05.2012 respectively.

Ministry of Railways vide order no. 2008/PL/49/1 dated 20.07.2012 has nominated Shri Sanjay Arora, Practicing Chartered Accountant, Shri Alok Shivapuri, Principal IHM Pusa, New Delhi and Dr. Subhash Datta, Director, IMT, Nagpur as part time non official directors on the Board of Corporation with immediate effect for a period of three years or until further orders, whichever is earlier.

(b) 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, 2012 was as follows:

Detail of Director		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	02.01.2012*
	Director (CS)	Shri Vinod Asthana	26.06.2007	10.02.2012**
	Director (Finance)	Shri Vishwa Ranjan Gupta	06.09.2008	18.05.2012***
Government Nominees	Chairman & Member Traffic, Railway Board	Shri Vivek Sahai	14.01.2010	30.06.2011 (Superannuation)
	Chairman & Member Traffic, Railway Board	Shri Vinay Mittal	26.07.2011	ceased w.e.f. 20.10.2011
	Member Traffic, Railway Board	Shri K.K.Srivastava	20.10.2011	At the pleasure of President of India
	Director	Smt Mani Anand	14.05.2010	At the pleasure of President of India
Part-time Non official Directors	Independent Director	Shri Jagdeep Singh Chhokar	28.05.2008	ceased w.e.f. 27.05.2011
	Independent Director	Shri Alok Shivapuri	28.05.2008	ceased w.e.f. 27.05.2011
	Independent Director	Shri R.N. Bhardwaj	22.01.2009	ceased w.e.f. 22.01.2012
	Independent Director	Shri R.K. Agrawal	22.01.2009	ceased w.e.f. 22.01.2012

* Ministry of Railways has extended the tenure of Dr Nalin Shinghal, Director(T&M) beyond 02.01.2012 for a period of six months. Further vide letter dt. 11.07.2012 Ministry of Railway has decided that Shri. Nalin Shinghal, Director (T&M) may continue in IRCTC until further orders.

** Shri Vinod Kumar Asthana, Director(Catering Services) resigned from the Board of Directors of Corporation and ceased to hold directorship w.e.f. 10.02.2012.

*** Shri Vishwa Ranjan Gupta, Director(Finance) resigned from the Board of Directors of corporation and ceased to hold directorship w.e.f. 18.05.2012.

(c) 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, proper 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 of 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.	Chairman and Member Traffic, Railway Board	Shri Vivek Sahai	1	N.A.
2.	Chairman and Member Traffic, Railway Board	Shri Vinay Mittal	1	Yes
3.	Member Traffic, Railway Board	Shri K.K. Srivastava	3	N.A.
(II) Functional Directors of the Corporation				
4.	Managing Director	Shri Rakesh Kumar Tandon	6	Yes
5.	Director (T&M)	Dr. Nalin Shinghal	5	Yes
6.	Director (CS)	Shri Vinod Asthana	4	Yes
7.	Director (Finance)	Shri Vishwa Ranjan Gupta	6	Yes
(III) Government Directors nominated by Ministry of Railways				
8.	Director	Smt. Mani Anand	6	Yes
(IV) Independent part-time non-official Directors				
9.	Director	Shri Jagdeep Singh Chhokar	1	No
10.	Director	Shri Alok Shivapuri	Nil	No
11.	Director	Shri R. N. Bhardwaj	4	No
12.	Director	Shri R. K. Agrawal	4	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 2011-12, the Board of Directors met six times to transact the business. One meeting of the Board of Directors was held at the registered office of the Company and remaining five 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.	51 st	25.04.2011
2.	52 nd	22.07.2011
3.	53 rd	02.09.2011
4.	54 th	02.12.2011
5.	55 th	27.02.2012
6.	56 th	29.03.2012

Details of the directors on the Board of the Company during the financial year 2011-2012 are as under:

Number of the directorship and all committee memberships/ Chairmanships

Name	Category	Other Directorship	Committee Memberships@	Committee Chairmanships@
Shri Vivek Sahai ¹	Part-time Chairman	3	Nil	Nil
Shri Vinay Mittal ²	Part-Time Chairman	3	Nil	Nil
Shri K.K.Srivastava	Part-Time Chairman	2	Nil	Nil
Shri Rakesh Kumar Tandon	Managing Director (Whole-time director)	1	Nil	Nil
Dr. Nalin Shinghal	Director (Tourism & Marketing) (Whole-time director)	1	Nil	Nil
Shri Vinod Asthana ³	Director (Catering Services) (Whole-time director)	Nil	1	Nil
Shri Vishwa Ranjan Gupta ⁴	Director(Finance) (Whole-time director)	Nil	Nil	Nil
Smt. Mani Anand	Part-time Official Director (Government Nominee)	Nil	Nil	Nil
Shri Jagdeep Singh Chhokar ⁵	Part-time Non-official Director (Independent Director)	Nil	1	Nil
Shri Alok Shivapuri ⁵	Part-time Non-official Director (Independent Director)	Nil	1	Nil
Shri R.N. Bhardwaj ^{6#}	Part-time Non-official Director (Independent Director)	10	8	4
Shri R.K. Agrawal ⁶	Part-time Non-official Director (Independent Director)	1	1	Nil

¹Ceased to be Part -time Chairman w.e.f 30.06.2011

²Ceased to be Part -time Chairman w.e.f 20.10.2011

³Ceased to be Functional Director w.e.f 10.02.2012

⁴Ceased to be Functional Director w.e.f 18.05.2012

⁵Ceased to be independent Directors w.e.f 28.05.2011

⁶Ceased to be independent directors w.e.f 22.01.2012

@ As per DPE guidelines membership/chairmanship of audit committee and shareholders' grievance committee are only considered

Directorship in private limited companies is not considered.

3. Audit Committee :

IRCTC firmly believes that ethics is the foundation stone of any business, and plays a very significant role for the 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 also. The Committee contributed significantly towards performing the functions efficiently.

The Committee acts in accordance with the terms of reference under Companies Act, 1956 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 three times during the financial year 2011-2012 on 25.04.2011, 02.09.2011 and 29.11.2011. Attendance of the members of the committee is given below:

Member	Position	Meetings held	Meetings attended
Shri R. N. Bhardwaj	Chairman	3	3
Shri Vinod Asthana	Member	3	3
Shri Jagdeep S. Chhokar	Member	3	1
Shri Alok Shivapuri	Member	3	Nil
Shri R. K. Agrawal	Member	3	2

During the financial year 2011-2012, all the position of Independent directors fell vacant due to the expiry of their tenure. Due to non availability of Independent Director on the Board of Directors, the Audit Committee meeting during 4th qtr. ending 31st March, 2012 could not be held.

4. Remuneration of Directors :

IRCTC, being a wholly owned Government Company under Companies Act 1956, 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 2011-12, the corporation has provided or made the following payments to Whole-time Directors:

(₹ in Lac)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Salary, allowances and perquisites	89.45	99.99
Gratuity	2.47	2.26
Leave Salary	3.33	3.44
FSC paid to Railways	2.89	2.82
Total	98.14	108.51

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 are paid a sitting fee of ₹10,000/- per meeting attended by them.

5. Disclosure :

- (i) During the year, there were no transactions of material nature with the directors or the management or the relatives that had potential conflict with the interest of the company.
- (ii) The details of related party disclosures have been covered as part of notes to accounts.
- (iii) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any accounting standard.
- (iv) None of the non-official part-time Directors had any pecuniary relationship or transactions with the company during the financial year 31st March, 2012.
- (v) The company has complied with the mandatory requirements of DPE guidelines on Corporate Governance, except composition of Board of Directors relating to Independent Directors due to expiry of term of Independent Directors.
- (vi) During the last three years, there has been no instance of penalty imposed on the Company by any statutory authority owing to non-compliance under applicable laws.
- (vii) The Company 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 2011-12.
- (viii) No items of expenditure have been debited to books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management except which are as per terms of appointment as contractual obligations.

6. 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 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.

7. 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.

8. 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. To further strengthen the mechanism the Corporation has also adopted the "Whistle Blower policy" in September, 2011 which was further modified and put up on the website of the Corporation www.irctc.com.



9. 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 2011-12.

10. Guidelines on Corporate Governance by DPE :

In May, 2010 the Department of Public Enterprises (DPE) has notified mandatory Guidelines on the Corporate Governance, 2010 for CPSEs. These guidelines have been adopted by the Corporation and periodical Corporate Governance Report are being submitted to DPE through Administrative Ministry as per requirement of DPE.

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, 2012 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 except:-

1. The provisions relating to composition of Board as per DPE guidelines, which inter-alia requires that at least one-third of the Board Members of unlisted company should be Independent Directors. As per examination of records, this provision was not complied due to expiry of tenure of two Independent Directors during the first qtr of 2011-12 and expiry of tenure of another two Independent Directors during in the last qtr of 2011-12.
2. Holding of Audit Committee Meeting during last qtr due to non - availability of Independent Directors on the Board of the Corporation.

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.

Place: New Delhi

Date: 11.08.2012

Service Tax No. : AMAPS 9564 KST 001;

B. Sharma

For Balika Sharma & Associates
Balika Sharma Prop.
Company Secretary
CP.No. 3222
M.No. 4816
Certificate of Practice No. : 3222





Bhushan Bensal Jain Associates
CHARTERED ACCOUNTANTS

4658/21, Daryaganj, New Delhi-110002
Phones : 23261054, Fax : 23252876
E-mail : bbjassociates_rb@yahoo.co.in

AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

1. We have audited the attached Balance Sheet of INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED, as at 31st March 2012 and the Profit & Loss Account and 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 No 1 to 56 thereon give the information required by

the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2012;
- (ii) in the case of Profit & 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**

**Place : New Delhi
Dated : 29th August, 2012**

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



Bhushan Bensal Jain Associates
CHARTERED ACCOUNTANTS

**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 2012.**

- 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, except as mentioned in our Audit Report.
- v) Based on our examination and according to the information and explanations given to us, we are of the opinion that there were no transactions during the year that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- vi) Based on our scrutiny of the company's record & according to the explanations given to us by the management, the Company has not accepted any deposits from public during the year.
- vii) The internal audit of the Company is being carried out by a firm of Chartered Accountants. The scope given is commensurate with the size and nature of company's business.
- viii) As informed to us the Central Government has 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-SZ	569.30	Madras High Court
VAT	21.49	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, 2012 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

Place : New Delhi
Dated : 29th August, 2012

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



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Balance Sheet as on 31st March, 2012

AMOUNT (₹ in Lakh)

Particulars	Note No.	31 st March, 2012	31 st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,000.00	2,000.00
(b) Reserves and Surplus	4	22,670.17	19,141.04
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)		-	-
(b) Other Long term liabilities	5	8,545.57	8,104.21
(c) Long term provisions	6	1,705.67	1,504.76
(3) Current Liabilities			
(a) Trade payables	7	8,191.02	9,188.08
(b) Other current liabilities	8	33,414.59	29,428.05
(c) Short-term provisions	9	1,179.79	1,412.95
TOTAL		77,706.81	70,779.09
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets			
(i) Tangible assets	10	10,213.80	7,243.14
(ii) Intangible assets	10	293.01	320.99
(iii) Capital work-in-progress	10	201.33	1,636.08
(b) Non-current investments	11	-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	1,848.56	1,716.52
(e) Other Non Current Asset	13	185.22	24.65
(2) Current Assets			
(a) Inventories	14	544.64	620.92
(b) Trade receivables	15	27,996.46	26,163.88
(c) Cash and Bank Balance	16	23,819.13	24,586.11
(d) Short-term loans and advances	17	11,486.50	7,625.26
(e) Other current assets	18	1,118.16	841.53
TOTAL		77,706.81	70,779.09

General Information 1

Summary of significant accounting policies 2

THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

In terms of your report of even date appended here to

For Bhushan Bensal Jain Associates

Chartered Accountants

For and on behalf of Board of Directors

Sd/-
Ravi Bhardwaj
Partner

M. No. : 080656
Firm Reg. No. : 003884N

Sd/-
Rakesh Kumar Tandon
Managing Director

Sd/-
Nalin Shinghal
Director (T&M)

Sd/-
Sanjeeb Kumar
GGM (Finance)

Sd/-
Neeraj Kumar Aggarwal
Company Secretary

Place : New Delhi

Dated : 29th August, 2012

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.
**Statement of Profit and Loss
For the year ended 31st March, 2012**
AMOUNT (₹ in Lakh)

Particulars	Note No.	31 st March, 2012	31 st March, 2011
I. Revenue from operations (Gross)	19	51,498.83	44,958.62
LESS : Excise Duty		(355.32)	(326.76)
Revenue from operations (Net)		51,143.51	44,631.86
II. Other Income	20	3,160.47	2,193.29
III. Total Revenue (I +II)		54,303.98	46,825.15
IV. Expenses:			
Cost of materials consumed	21	7,130.18	7,339.19
Purchase of Stock-in-Trade	22	10,280.36	7,747.56
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	52.97	165.64
Expenses of Licencee Catering Services	24	718.05	1,322.78
Expenses of Tourism	25	8,577.46	5,677.10
Manufacturing & Direct Expenses	26	2,629.34	3,297.18
Employee benefit expense	27	10,677.65	10,863.46
Financial costs	28	4.94	32.86
Depreciation and amortization expense	29	1,454.99	1,228.73
Other expenses	30	5,102.42	3,588.65
IV. Total Expenses		46,628.36	41,263.15
V. Profit before exceptional and extraordinary items and tax (III - IV)		7,675.62	5,562.00
VI. Exceptional Items	31	164.08	-
VII. Profit before extraordinary items and tax (V - VI)		7,511.54	5,562.00
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		7,511.54	5,562.00
X. Tax expense:			
(1) Current tax		2,753.87	4,342.71
(2) Deferred tax		-	93.89
XI. Profit(Loss) from the period from continuing operations (IX-X)		4,757.68	1,125.40
XII. Profit/(Loss) from discontinuing operations	32	142.18	7,416.97
XIII. Tax expense of discontinuing operations	32	46.13	2,463.73
XIV. Profit/(Loss) from discontinuing operations (XII - XIII)		96.05	4,953.23
XV. Profit/(Loss) for the period (XI + XIV)		4,853.73	6,078.63
XVI. Earning per equity share:			
(1) Basic (in ₹)		24.27	30.39
(2) Diluted (in ₹)		24.27	30.39

THE NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.
In terms of your report of even date appended here to
For Bhushan Bensal Jain Associates
Chartered Accountants
For and on behalf of Board of Directors

Sd/-
Ravi Bhardwaj
 Partner

M. No. : 080656
 Firm Reg. No. : 003884N

Place : New Delhi

 Dated : 29th August, 2012

Sd/-
Rakesh Kumar Tandon
 Managing Director

Sd/-
Nalin Shinghal
 Director (T&M)

Sd/-
Sanjeeb Kumar
 GGM (Finance)

Sd/-
Neeraj Kumar Aggarwal
 Company Secretary



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

Cash Flow Statement for the year ended 31st March, 2012

AMOUNT (₹ in Lakh)

	2011-12		2010-11	
A. Cash Flow from Operating Activities				
Net Profit before tax and extraordinary Items	7,817.81		12,978.96	
Adjustments				
Depreciation	1,473.78		1,415.19	
Loss on Asset sold	10.58		5.29	
Prior Period Expenses	15.98		-	
Transfer to CSR Fund	-		199.70	
Interest Income	(2,134.77)		(1,616.46)	
Total of Adjustments	(634.43)		3.72	
Operating Profit before Working Capital Changes	7,183.38		12,982.68	
Working Capital Changes				
Decrease/(Increase) in Inventories	76.28		157.91	
Trade & Other Receivables	(4,750.23)		(1,024.87)	
Trade Payables & Provisions	3,688.73		(737.89)	
Cash Generated from Operation	6,198.16		11,377.83	
Miscellaneous Expenses (Deferred Revenue)			-	
Income Tax for Previous Year	-		(1,449.64)	
Direct Taxes Paid	(3,875.62)		(3,825.59)	
Net Cash from Operating Activities		2,322.54		6,102.60
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(2,918.24)		(1,790.49)	
Sale of Fixed Assets	8.98		8.27	
Investment in JV Company	-		250.00	
Interest Received	1,858.15		1,247.34	
Net Cash used in Investing Activities		(1,051.12)		(284.88)
C. Cash Flow from Financing Activities				
Dividend Paid (including Tax on Dividend)	(1,877.84)		(1,007.39)	
Net Cash from Financing Activities		(1,877.84)		(1,007.39)
Net Change in Cash & Cash Equivalents (A+B+C)		(606.42)		4,810.33
Opening Balance of Cash & Cash Equivalents		24,610.76		19,800.43
Closing Balance of Cash & Cash Equivalents		24,004.35		24,610.76

Notes:-

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

In terms of your report of even date appended here to

For Bhushan Bensal Jain Associates

Chartered Accountants

For and on behalf of Board of Directors

Sd/-
Ravi Bhardwaj
Partner

M. No. : 080656
Firm Reg. No. : 003884N

Place : New Delhi

Dated : 29th August, 2012

Sd/-
Rakesh Kumar Tandon
Managing Director

Sd/-
Nalin Shinghal
Director (T&M)

Sd/-
Sanjeeb Kumar
GGM (Finance)

Sd/-
Neeraj Kumar Aggarwal
Company Secretary

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

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

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

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

2.2 METHOD OF ACCOUNTING: -

The Corporation is following accrual basis of accounting except License Fee on GDP basis with effect from 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.

2.3 USE OF ESTIMATES: -

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

2.4 REVENUE RECOGNITION:-

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

(a) Sales:-

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

(b) Income from Internet Ticketing: -

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



(c) Income from Catering Services: -

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

(i) Income from Onboard Catering Services:

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

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

The Corporation is receiving the income from the following: -

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

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

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

In case of Complete Tour Packages, Buddhist Circuit Special Train and Bharat Darshan Trains, the income includes the total amount net of service tax collected from the customer.
- (e) **Interest Income from Fixed Deposits including TDRs: -**

Income received as Interest from fixed deposit & TDRs is recognized on accrual basis.
- (f) **Duty Credit Licence:-**

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

2.5 EXPENDITURE: -

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



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

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

(ii) Expenditure on Internet ticketing: -

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

(iii) Catering Charges Paid: -

(a) Onboard Catering Charges:

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

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

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

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

(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.

(iv) Prior Period Expenses: -

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

(v) Exceptional Items: -

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

2.6 FIXED ASSETS AND INTANGIBLE ASSETS: -

- (i) Fixed assets are stated at cost of acquisition including installation charges and other related expenses.

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

2.7 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.

2.8 DEPRECIATION: -

- (i) The Corporation is following the straight-line method of depreciation in respect of buildings and plant and machinery of Railneer Plants located at Nangloi 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 Rs. 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.

2.9 INVENTORIES: -

- (i) Inventories are valued at lower of cost and net realizable value.
- (ii) In case of raw materials, packing materials, stores, spares and consumables, the cost includes duties and taxes (net of CENVAT, wherever applicable) and is arrived at on FIFO basis.



- (iii) Cost of finished goods and work in process includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.
- (iv) PD items (traded goods) are valued at cost on FIFO basis.

2.10 INVESTMENTS: -

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

2.11 EMPLOYEES BENEFITS: -

- (i) The provisions/ liabilities towards, Gratuity 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.

2.12 GRANTS: -

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

2.13 TAXATION: -

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

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

2.14 SUNDRY DEBTORS/ADVANCES: -

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

2.15 IMPAIRMENT OF ASSETS: -

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

2.16 FOREIGN CURRENCY TRANSACTIONS: -

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

INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	31.03.2012	31.03.2011

NOTE - 3

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

20,000,000 Equity Shares of ₹ 10 each fully paid-up	2,000.00	2,000.00
(Previous year 20,000,000 Equity Shares of ₹ 10 each fully paid up)	2,000.00	2,000.00

NOTE - 3.1

Reconciliation of Number of Shares

	31.03.2012		31.03.2011	
	No. of Shares (In lakh)	Amount (₹ in Lakh)	No. of Shares (In lakh)	Amount (₹ in Lakh)
Equity Shares				
Balance at the beginning of the Year	200.00	2,000.00	200.00	2,000.00
Add:- Shares issued during the year	-	-	-	-
Balance at the end of the year	200.00	2,000.00	200.00	2,000.00

NOTE - 3.2

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

	31.03.2012		31.03.2011	
	No. of Shares (In lakh)	% of Holding	No. of Shares (In lakh)	% of Holding
Equity Shares				
Ministry Of Railways, Govt. Of India	200.00	100	200.00	100

NOTE - 3.3

Rights, Preferences and restrictions attached to shares

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

Indian Railway Catering and Tourism Corporation Ltd.



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

		Amount (₹ in Lakh)	Amount (₹ in Lakh)
		31.03.2012	31.03.2011
NOTE - 4			
RESERVES & SURPLUS			
General Reserve			
Balance at the Beginning of the Year		17,491.70	12,991.70
Add: Transferred from Statement of Profit & Loss		3,500.00	4,500.00
Balance at the end of the Year	A	<u>20,991.70</u>	<u>17,491.70</u>
Other Reserves			
Corporate Social Responsibility (CSR) Fund			
Balance at the Beginning of the Year		199.70	-
Add: Transferred from Statement of Profit & Loss		182.36	199.70
Less: Transferred to CSR Trust		(382.06)	-
Balance at the end of the Year	B	<u>-</u>	<u>199.70</u>
Surplus in the Statement of Profit & Loss			
Balance at the Beginning of the Year		1,449.64	1,283.96
Add: Transferred from Statement of Profit & Loss		4,853.73	6,078.63
Less: Appropriations			
Proposed Dividend on Equity Shares for the Year		(970.75)	(1,215.73)
Dividend Distribution tax on Proposed Dividend on Equity Shares		(154.16)	(197.22)
Transferred to General Reserve		(3,500.00)	(4,500.00)
Balance at the end of the Year	C	<u>1,678.47</u>	<u>1,449.64</u>
RESERVES AND SURPLUS (A+B+C)		<u>22,670.17</u>	<u>19,141.04</u>

NOTE - 5

OTHER LONG TERM LIABILITIES

Others

Security Deposits	8,545.57	8,104.21
	<u>8,545.57</u>	<u>8,104.21</u>

NOTE - 5.1

None of the Suppliers have reported that they are registered under the Micro Small and Medium Enterprises Development Act, 2006. Hence, there are no principle/Interest amounts due to Micro & Small Enterprises.

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	31.03.2012	31.03.2011

NOTE - 6

LONG TERM PROVISIONS

Provision For Employee Benefits

Retirement Benefits	1,705.67	1,504.76
	1,705.67	1,504.76

See also Note No.37

NOTE - 7

TRADE PAYABLES

Trade Payables

For Goods	818.29	935.33
For Services	7,372.73	8,252.75
	8,191.02	9,188.08
	8,191.02	9,188.08

NOTE - 7.1

None of the Suppliers have reported that they are registered under the Micro Small and Medium Enterprises Development Act, 2006. Hence, there are no principle/Interest amounts due to Micro & Small Enterprises.

NOTE - 8

OTHER CURRENT LIABILITIES

Income Received in Advance

Unexpired Concession Fee	52.69	176.02
Unexpired Licence Fee	2,578.63	2,712.16
Unexpired User Charges	3.45	12.32
Advances Received	1,113.28	199.48
A	3,748.05	3,099.98

Other Payables

Earnest Money Deposit	1,943.49	1,718.74
Others expenses	27,454.57	24,273.52
Taxes payables	268.48	335.81
B	29,666.54	26,328.07

TOTAL	(A+B)	33,414.59	29,428.05
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NOTE - 9

SHORT TERM PROVISIONS

Provision for Employee Benefits	51.56	-	
(a)	<u>51.56</u>	<u>-</u>	
Others			
Proposed Dividend	970.75	1,215.73	
Provision for Dividend Tax	157.48	197.22	
(b)	<u>1,128.23</u>	<u>1,412.95</u>	
TOTAL	(a + b)	<u>1,179.79</u>	<u>1,412.95</u>

FIXED ASSET CHART FOR THE YEAR 2011-12

Note No-10 Fixed Assets

AMOUNT (₹ in Lakh)

PARTICULARS	Gross Amount				DEPRECIATION & AMMORTISATION				CARRYING AMOUNT	
	Original Cost As at 01.04.2011	Additions during the year	Deletions/ Sales During the year	Original Cost As at 31.03.2012	Upto 01.04.2011	Depreciation Charged During the Year	Depreciation on Deletion/ Sales/ Adjustments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
(A) TANGIBLE ASSETS										
Building Factory	354.00	838.47	-	1,192.47	81.80	31.70	-	113.50	1,078.97	272.20
Building Office	76.38	-	-	76.38	8.49	1.24	-	9.73	66.65	67.89
Plant & Machinery	1,618.10	1,058.13	-	2,676.22	732.27	258.70	-	990.96	1,685.26	885.83
Computer	3,210.92	468.03	55.98	3,622.97	2,532.13	387.25	46.74	2,872.65	750.32	678.79
Furniture & Fixtures	565.54	17.61	0.06	583.09	352.05	53.68	0.06	405.68	177.41	213.48
Office Equipment	1,189.77	413.38	21.66	1,581.50	601.57	162.22	11.39	752.41	829.09	588.19
Air Conditioner	229.81	22.72	0.36	252.18	100.48	21.43	0.28	121.63	130.55	129.34
Tools & Plants	0.06	-	-	0.06	-	-	-	-	0.06	0.06
Luxury Tourist Train	3,823.94	4.59	-	3,828.53	300.78	275.72	-	576.50	3,252.03	3,523.16
Leasehold Improvements	958.33	331.16	-	1,289.48	364.84	85.04	-	449.88	839.60	593.49
Flats on Leasehold Land	248.50	-	-	248.50	19.06	8.28	-	27.35	221.15	229.44
LAND					-	-	-			
Leasehold Land	61.28	-	-	61.28	-	-	-	-	61.28	61.28
Freehold Land	-	1,121.41	-	1,121.41	-	-	-	-	1,121.41	-
	12,336.62	4,275.51	78.05	16,534.08	5,093.47	1,285.26	58.46	6,320.27	10,213.80	7,243.15
(B) INTANGIBLE ASSETS										
Intangible Assets	1,181.34	160.55	-	1,341.88	860.36	188.52	-	1,048.87	293.01	320.98
	1,181.34	160.55	-	1,341.88	860.36	188.52	-	1,048.87	293.01	320.98
Total Current Year	13,517.96	4,436.05	78.05	17,875.96	5,953.83	1,473.78	58.46	7,369.14	10,506.82	7,564.13
Total Previous Year	12,683.74	924.44	90.22	13,517.96	4,613.58	1,415.19	74.94	5,953.82	7,564.14	8,070.16

Note No-10 Capital Work in Progress

AMOUNT (₹ in Lakh)

Particulars	Original Cost As on 31.03.2012	Original Cost As on 31.03.2011
Budget Hotels Consultancy Charges	33.17	29.16
Rail Neer Plant Palur	-	1,503.24
Others	168.16	103.67
TOTAL	201.33	1,636.08



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	31.03.2012	31.03.2011
NOTE - 11		
<u>NON-CURRENT INVESTMENTS</u>		
Investment in Equity Instruments		
In Joint Venture's 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
	-	-
	-	-
NOTE - 12		
<u>LONG TERM LOANS & ADVANCES</u>		
(Unsecured considered good for recovery by the management) Advances Recoverable In Cash or in kind or for value to be received		
Capital Advance to Indian Railways for Construction of Flats & Land	869.34	869.34
Capital Advance to RVNL for Construction of Flats & Land	342.00	342.00
Security Deposits	637.22	505.18
	<u>1,848.56</u>	<u>1,716.52</u>
	<u>1,848.56</u>	<u>1,716.52</u>
NOTE - 13		
<u>OTHER NON CURRENT ASSETS</u>		
Other Bank Balances		
Bank balances with foreign bank subject to repatriation restrictions		
Term deposits having remaining maturity of more than 12 months Of which margin money or security against borrowings, guarantees or other commitments, held as margin money against Bank guarantee	185.22	24.65
	<u>185.22</u>	<u>24.65</u>
NOTE - 14		
<u>INVENTORIES</u>		
INVENTORIES		
(AS TAKEN, VALUED AND CERTIFIED BY MANAGEMENT)		
Raw Material (Including Goods-In-Transit)	185.21	208.52
Finished Goods	227.99	235.60
Trading Goods-Packed (PD) Items	131.44	176.80
	<u>544.64</u>	<u>620.92</u>
TOTAL	<u>-</u>	<u>620.92</u>

Indian Railway Catering and Tourism Corporation Ltd.



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	31.03.2012	31.03.2011
NOTE - 15		
TRADE RECEIVABLES		
(Unsecured considered good for recovery by the management)		
Debts Outstanding for a period exceeding Six months from the due date		
Considered Good	21,151.26	17,505.61
Considered Doubtful	87.14	77.90
	21,238.40	17,583.50
Less : Provision for Doubtful Debts	(87.14)	(77.90)
(a)	21,151.26	17,505.61
Other Receivables		
Considered Good	6,845.20	8,658.27
Considered Doubtful	-	-
(b)	6,845.20	8,658.27
TOTAL	(a + b)	
	27,996.46	26,163.88
NOTE - 16		
CASH AND BANK BALANCE		
Cash and Cash Equivalents		
Bank Balances		
In Current Account	2,642.96	2,935.80
In Term deposits having remaining maturity value of 3 months or less	10,450.00	11,383.24
Margin money against Bank guarantee	4.41	4.41
Cheques, draft on hand	740.00	-
Cash on hand	214.88	52.15
(a)	14,052.25	14,375.60
Other Bank Balances		
In Term deposits having remaining maturity of more than 3 months but not more than 12 months	9,731.11	10,208.28
Margin money against Bank guarantee	35.77	2.23
(b)	9,766.88	10,210.51
TOTAL	(a + b)	
	23,819.13	24,586.11
NOTE - 17		
SHORT TERM LOANS & ADVANCES		
Others		
Balances with Govt. Authorities	872.05	356.16
Other Deposits	7,919.03	5,389.04
Advance Tax Including TDS [net of provisions of ₹ 2800.00 Lakh (March 31, 2011: ₹ 5356.80 Lakh)]	394.90	(680.72)
Prepaid Expenses	98.68	46.28
Other Advances	2,201.84	2,514.50
	11,486.50	7,625.26
TOTAL		
	11,486.50	7,625.26
NOTE - 18		
OTHER CURRENT ASSETS		
Interest Accrued but not due on Term & Fixed Deposits	1,118.16	841.53
	1,118.16	841.53
	1,118.16	841.53

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	Year Ended 31.03.2012	Year Ended 31.03.2011
NOTE - 19		
<u>REVENUE FROM OPERATIONS</u>		
A Sale of Products		
(i) RAILNEER (Packaged Drinking Water)	4,832.70	2,691.49
(ii) Departmental Catering		
- Sale Of Food & Beverages	18,544.17	19,048.52
- Income From Outdoor Catering	1,079.18	664.23
	<u>24,456.05</u>	<u>22,404.24</u>
Total-Sale Of Product	<u>24,456.05</u>	<u>22,404.24</u>
B Sale of Service		
i) Internet Ticketing		
Service Charges Earned-IR Tickets	14,730.82	12,369.37
Income From Licence Fee-Call Centre	125.00	100.00
Income From Messaging Service	31.88	35.83
Income From CWG Ticketing		1,271.73
Income from Advertisement/SBI CO-Branded Cards & Loyalty Cards	707.90	414.86
Income From Fees from IATA / RTSA / Internet Cafe, etc.	40.10	88.60
(a)	<u>15,635.70</u>	<u>14,280.39</u>
ii) Income From Licencee Catering Services		
Income From Licencee Fee/User Charges etc.		
Income from User Charges-Food Plaza	425.25	418.97
Income from Licence Fee-Food Plaza	1,207.30	1,136.37
(b)	<u>1,632.55</u>	<u>1,555.34</u>
iii) Tourism		
- Travel & Tour Income	7,949.09	6,228.19
- Income from User Charges-Rail Yatri Niwas	87.82	82.08
- Income from Licence Fee-Rail Yatri Niwas	99.75	73.30
- Lease Rent Income-LTT	119.19	320.36
- Maharaja Express-Revenue	1,491.09	-
(c)	<u>9,746.94</u>	<u>6,703.93</u>
Total-Sale Of Services	(a+b+c)	
	<u>27,015.19</u>	<u>22,539.66</u>
Other Operating Income		
Scrap Sale-Rail Neer	25.87	14.66
Scrap Sale-Departmental Catering	1.72	0.06
	<u>27.59</u>	<u>14.72</u>
	27.59	14.72
Revenue from Operation (Gross)	<u>51,498.83</u>	<u>44,958.62</u>

Indian Railway Catering and Tourism Corporation Ltd.



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	Year Ended 31.03.2012	Year Ended 31.03.2011
NOTE - 20		
<u>OTHER INCOME</u>		
Interest Income		
- Interest Income on FDR's & TDR's (Gross)	2,134.77	1,616.46
- Interest Income Others	0.23	1.17
(a)	2,135.00	1,617.63
Other Non-Operating Income		
- Countermanding Charges & Security Deposit Forfeited	8.40	11.42
- Income Accrued On Forfeiture Of Contracts	219.31	69.74
- Sale Of Tender Forms	5.11	8.81
- Excess Provision Written Back	10.70	0.84
- Income From Vending	76.45	81.12
Profit/(Loss) on Foreign Exchange Fluctuation	0.12	(0.05)
- Miscellaneous Income	705.38	403.78
(b)	1,025.47	575.66
Total	(a+b) 3,160.47	2,193.29
NOTE - 21		
<u>COST OF MATERIAL CONSUMED</u>		
RAILNEER (Packaged Drinking Water)		
Opening Stock	92.92	59.70
ADD: Purchases And Expenses	2,906.69	2,065.76
	2,999.61	2,125.46
LESS: Closing Stock	102.64	92.92
(a)	2,896.97	2,032.54
DEPARTMENTAL CATERING		
Opening Stock	115.60	141.09
ADD: Purchases	4,200.18	5,281.17
	4,315.78	5,422.26
LESS: Closing Stock	82.58	115.60
(b)	4,233.21	5,306.66
Total	(a+b) 7,130.18	7,339.19
NOTE - 22		
<u>PURCHASE OF STOCK-IN-TRADE</u>		
Purchase of PD Items for resale	9,309.76	7,269.44
Purchase - Outdoor Catering	970.60	478.12
	10,280.36	7,747.56

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	Year Ended 31.03.2012	Year Ended 31.03.2011
NOTE - 23		
<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE</u>		
RAILNEER (Packaged Drinking Water)		
Opening Stock		
Finished Goods	235.54	426.76
Closing Stock		
Finished Goods	227.99	235.54
	(a) 7.55	191.22
DEPARTMENTAL CATERING		
Opening Stock		
Finished Goods	0.06	0.02
PD Items	176.80	151.26
	176.86	151.28
Closing Stock		
Finished Goods	-	0.06
PD ITEMS	131.44	176.80
	131.44	176.86
	(b) 45.42	(25.58)
(Increase)/Decrease in Finished Goods	(a+b) 52.97	165.64
NOTE - 24		
<u>EXPENSES OF LICENCEE CATERING SERVICES</u>		
User Charges - Food Plaza	170.10	167.59
Licence Fee - Food Plaza	482.92	454.55
Service Tax - Food Plaza	64.59	700.01
Licence Fee Railway Land - Food Plaza	0.44	0.63
	718.05	1,322.78
	718.05	1,322.78
NOTE - 25		
<u>EXPENSES OF TOURISM</u>		
Travel & Tour Expenses	7,187.95	5,561.63
Licence Fee - Rail Yatri Niwas	24.94	18.32
User Charges - Rail Yatri Niwas	21.95	20.52
Licence Fee Paid Railway Land - Rail Yatri Niwas	0.02	0.04
Maintenance & Other Charges	68.93	76.59
Expenses of Maharaja Express	1,273.67	-
	8,577.46	5,677.10
	8,577.46	5,677.10

Indian Railway Catering and Tourism Corporation Ltd.



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)	
	Year Ended 31.03.2012	Year Ended 31.03.2011	
NOTE - 26			
<u>MANUFACTURING & DIRECT EXPENSES</u>			
Rail Neer (Packaged Drinking Water)			
- Operation & Maintenance Chgs	509.34	454.00	
- License fee Railway Land	34.71	26.85	
- Power & Fuel	271.17	155.97	
- Repair & Maintenance - Plant & Machinery	6.51	5.63	
- Repair & Maintenance - Others	18.89	7.02	
- Other Direct Expenses	28.95	23.90	
(a)	869.57	673.37	
Departmental Catering			
- Freight Inward Loading & Unloading-Catering	33.86	17.23	
- Food Inspection Expenses	2.76	5.23	
- Fuel	549.74	752.13	
- Bedroll & Cleaning Service Charges	0.75	3.95	
(b)	587.11	778.54	
Internet Ticketing			
- Maintenance & Other Charges	943.39	1,243.69	
- Loyalty Card Issue Expenses	121.15	37.84	
- Internet Usage Charges	108.12	563.74	
(c)	1,172.66	1,845.27	
	2,629.34	3,297.18	
NOTE - 27			
<u>EMPLOYEE BENEFIT COSTS</u>			
Salaries, Wages & Bonus	9,727.89	11,283.39	
Contribution to Provident and Other Funds	917.82	1,212.51	
Gratuity	174.60	309.45	
Staff Welfare Expenses	51.90	70.56	
	10,872.21	12,875.91	
Less: Allocated to Discontinued Operation	194.56	2,012.45	
	10,677.65	10,863.46	
	10,677.65	10,863.46	
See also Note No.36			
NOTE - 28			
<u>FINANCIAL COST</u>			
Interest Expenses	4.94	32.86	
	4.94	32.86	
	4.94	32.86	

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	Year Ended 31.03.2012	Year Ended 31.03.2011
NOTE - 29		
<u>DEPRECIATION & AMORTIZATION EXPENSES</u>		
Depreciation on Tangible Assets	1,285.26	1,180.59
Depreciation on Intangible Assets	188.52	234.60
	<u>1,473.78</u>	<u>1,415.19</u>
Less: Allocated to Discontinued Operation	18.79	186.46
	<u>1,454.99</u>	<u>1,228.73</u>
	<u><u>1,454.99</u></u>	<u><u>1,228.73</u></u>
NOTE - 30		
<u>OTHER EXPENSES</u>		
Electricity & Water	149.23	152.20
Office Rent	795.84	636.54
Duties, Rates & Taxes	36.69	32.87
Repair Maintenance & other	266.20	259.83
Insurance	45.72	33.56
Travelling Expenses	567.06	565.17
Director Sitting Fees	1.70	-
Payment To Auditors		
- As Auditor		
Audit Fees	3.26	2.87
Tax Audit Fees	1.63	1.44
Other Services	1.16	0.77
Reimbursement of Expenses	2.43	5.54
Legal & Professional Fees	289.74	130.85
Customer Satisfaction Survey Expenses	23.58	14.24
Freight Outward & CFA Charges	945.06	598.63
Provision for Dimmution in the value of Long Term Investments	-	250.00
Provision for Doubtful Debts & Advances	19.59	9.56
Corporate Social Responsibility	182.36	225.00
Prior Period Expenses	15.98	-
Miscellaneous Expenses	1,897.99	1,921.48
	<u>5,245.22</u>	<u>4,840.55</u>
Less: Allocated to Discontinued Operation	142.80	1,251.90
	<u>5,102.42</u>	<u>3,588.65</u>
TOTAL	<u><u>5,102.42</u></u>	<u><u>3,588.65</u></u>
NOTE - 31		
<u>EXCEPTIONAL ITEMS*</u>		
Legal & Professional Charges	164.08	-
	<u>164.08</u>	-
	<u><u>164.08</u></u>	<u><u>-</u></u>

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

Indian Railway Catering and Tourism Corporation Ltd.



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

	Amount (₹ in Lakh)	Amount (₹ in Lakh)
	Year Ended 31.03.2012	Year Ended 31.03.2011
NOTE - 32		
<u>PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS</u>		
Licensee Catering Services		
Revenue		
Income from Catering & comprehensive services provided		
Income from On Board Catering Services-Rajdhani & Shatabdi Trains	76.62	13,109.61
Income from Bedroll & Cleaning	231.91	1,235.28
(a)	308.53	14,344.89
Income from Concession Fee. Licence Fee etc.		
Income from Concession Fee	-	2,664.88
Income from Licence Fee	798.79	12,657.92
(b)	798.79	15,322.80
Total revenue from discontinuing operations (a+b)	1,107.32	29,667.69
Expenses		
Expenses of Catering & comprehensive services provided		
On Board Catering Charges- Rajdhani & Shatabdi Trains	76.62	13,109.61
Service Charges - Bedroll & Cleaning	231.91	1,235.28
VAT Expenses	-	773.81
(a)	308.53	15,118.70
Expense of Concession Fee. Licence Fee etc.		
Concession Fee	-	399.73
Licence Fee	300.46	2,369.48
Haulage Charges	-	912.00
(b)	300.46	3,681.21
Indirect Expenses (Allocated)		
Employee Benefit Expenses	194.56	2,012.45
Depreciation & Amortization Expenses	18.79	186.46
Other Expenses	142.80	1,251.90
(c)	356.15	3,450.81
Total expenses from discontinuing operations (a+b+c)	965.14	22,250.72
Profit(Loss) from Discontinuing Operations	142.18	7,416.97
Tax Expense of Discontinuing Operation	46.13	2,463.73
	46.13	2,463.73

Pursuant to the decision of The Ministry Of Railway, as per the Catering Policy - 2010 vide Commercial Circular No-35/2010 dated 21 July,2010, the Licensee Catering business of IRCTC is transferred to Indian Railway. No Assets/Liabilities relating to Catering Business have been transferred to Indian Railway. The revenue from this segment has gone down significantly as compared to Previous year. The revenue from segment has been treated discontinued operation accordingly.

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.
NOTE NO. 33: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS
33.1: PROVISIONS

Pursuant to the Accounting Standard (AS 29) relating to Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March 2012 is as follows:-

(₹ in Lakh)

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	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Opening Balance	77.90	67.13	759.79	567.81	(164.23)	249.67	527.97	284.17	373.29	—
Addition	19.58	10.77	127.52	284.73	174.60	309.46	296.78	243.80	3.41	373.29
Utilization/Contribution	(10.34)	—	(86.12)	(92.75)	(169.59)	(723.36)	—	—	(86.19)	—
Reversal	—	—	—	—	—	—	—	—	—	—
Closing Balance	87.14	77.90	801.19	759.79	(159.22)	(164.23)	824.75	527.97	290.51	373.29

Note:

- Provision for doubtful debts/advances is made on the basis of management's estimates.
- Provision for retirement benefits is made on the basis of independent actuary's valuation.
- Provision of Pension in respect of deemed deputationist Optees has been made to make 100% commutation of difference of pension (IRCTC- Railways) as full and final one time settlement of pensionary liabilities of IRCTC so as to avoid monthly recurring liability of pension.

33.2: CONTINGENT LIABILITIES

Claims against the Corporation pending appellate/judicial decisions:

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
a.	Income Tax	—	38.12
b.	VAT	21.49	21.49
c.	Employee Court Case - SCZ	9.20	9.20
d.	Service Tax- SZ	569.30	—
	Total	599.99	68.81

Claim against the corporation not acknowledge as debt.

(₹ in Lakh)

S. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
a.	Service Tax	427.28	427.28
b.	Rent to Eastern Railways	—	5.11
c.	Others	8.05	1.90
	Total	435.33	434.29



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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

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

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

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

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

NOTE NO. 34 :

CAPITAL COMMITMENT

Estimated amount of Contracts remaining to be executed on capital account and not provided for amounts to ₹ 982.71 Lakhs as against ₹ 192.31 Lakhs in the previous year.

NOTE NO. 35 :

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

NOTE NO. 36 :

EMPLOYEE BENEFITS

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

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

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

- (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 2011-12 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

(₹ in Lakh)

Sr. No.	Description	As at 31 st March, 2012	As at 31 st March, 2011
(i)	Discount rate(per annum)	8.00 %	8.00 %
(ii)	Mortality rate	Indian Assured Lives Mortality (1994-96) (Modified Ultimate)	Indian Assured Lives Mortality (1994-96) (Modified Ultimate)
(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 Lakh)

		Gratuity		Leave Encashment	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
a)	Fair value of plan assets at the beginning of the period	715.47	—	—	—
b)	Acquisition adjustment	—	—	—	—
c)	Expected return on plan assets	57.39	—	—	—
d)	Contributions	169.59	723.36	86.12	92.75
e)	Benefits paid	(8.99)	(8.06)	(86.12)	(92.75)
f)	Actuarial gain/(loss) on plan assets	3.17	0.17	—	—
g)	Fair value of plan assets at the end of the period	936.63	715.47	—	—



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(ii) Fair value of plan asset

(₹ in Lakh)

		Gratuity		Leave Encashment	
		31/03/2012	31/03/2011	31/03/2012	31/03/2011
a)	Fair value of plan assets at the beginning of the period	715.47	–	–	–
b)	Acquisition adjustment	–	–	–	–
c)	Actual return on plan assets	60.56	0.17	–	–
d)	Contributions	169.59	723.36	86.12	92.75
e)	Benefits paid	(8.99)	(8.06)	(86.12)	(92.75)
f)	Fair value of plan assets at the end of the period	936.63	715.47	–	–
g)	Funded status-Surplus/(Deficit)	159.22	164.23	(801.19)	(759.79)
h)	Excess of actual over estimated return on plan assets	–	–	–	–

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

(₹ in Lakh)

Sr. No.	Particulars	Gratuity	Leave Encashment
(i)	Present value of the Projected benefit obligations as at 1st April, 2011	551.24	759.79
(ii)	Current Service Cost	163.04	78.73
(iii)	Interest Cost	43.74	57.34
(iv)	Actuarial gains(-)/losses(+)	28.38	(8.54)
(v)	Past Service Cost		
(vi)	Benefits Used	8.99	86.12
(vii)	Present Value of the projected benefit obligations as on 31st March, 2012(i+ii+iii+iv-v-vi) (Amount recognized in Balance sheet).	777.41	801.19

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

(₹ in Lakh)

Sr. No.	Particulars	Gratuity	Leave Encashment
(i)	Net Asset/(Liability) Recognized at the beginning of the period	164.23	(759.79)
(ii)	Employer Expenses	(174.6)	(127.52)
(iii)	Employer Contribution	169.59	86.12
(iv)	Acquisitions/Divestures	–	–
(v)	Net Asset/(Liability) Recognized at the end of the period (Amount recognized in Balance sheet).	159.22	(801.19)

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

- (f) **Expenses recognized in the Statement of Profit & Loss Account for the year ended 31st March, 2012:** (₹ in Lakh)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2011-12	2010-11	2011-12	2010-11
(i)	Current Service Cost	163.04	164.06	78.73	90.50
(ii)	Interest Cost	43.74	19.65	57.34	41.71
(iii)	Actuarial Gain(-)/ Losses(+)	25.21	125.74	(8.54)	152.52
(iv)	Past Service Cost	—	—	—	—
(v)	Expected return on plan assets	(57.39)	—	—	—
(vi)	Benefit paid	8.99	8.06	86.12	92.75
(vii)	Total(i+ii+iii+iv-v-vi)	165.61	301.39	41.41	191.98
(viii)	Employee Remuneration and benefits	—	—	—	—
	Charged to Profit and Loss Account	165.61	301.39	41.41	191.98
(ix)	Actual Return on Plan Assets	—	—	—	—

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

NOTE NO. 37 :

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

NOTE NO. 38 :

During the year 2011-12, the sharing with various Zonal Railways has been made in terms of Memorandum of Understanding dated 17.01.2007, executed with the Ministry of Railways.

NOTE NO. 39 :
RELATED PARTY DISCLOSURE

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

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

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

Sr. No.	Nature of Transaction	Joint Venture		Key Management Personnel	
		As at 31 st March, 2012	As at 31 st March, 2011	As at 31 st March, 2012	As at 31 st March, 2011
(i)	Investments	250	250.00		—
(ii)	Provision for diminution in investment	250	250.00		—
(iii)	Advance Lease Rent	1740.69	1788.27		—
(iv)	Lease Rent Receivable	269.08	196.65		—
(v)	Sundry Creditors	(1384.23)	(108.38)		—
(vi)	Lease Rent Income	119.19	320.36		—
(vii)	Managerial Remuneration	N.A.	N.A.	98.14	108.51



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

The provision for diminution in investment has been made for IRCTC share of investment i.e. ₹ 250.00 Lakh as the cumulative losses of RIRTL has wiped out its net worth. Further, pending execution of lease agreement with RIRTL, lease rent income of ₹ 119.19 Lakh has been recognized on the basis of joint venture agreement and memorandum of understanding entered into with M/s Cox and Kings (India) Ltd, which stands terminated. Further, the Balance Sheet of RIRTL for 2010-11 & 2011-12 have not been finalized pending dispute with M/s Cox and Kings (India) Ltd.

NOTE NO. 40 : FINANCIAL REPORTING OF INTEREST IN JOINT VENTURES

As per Accounting Standard-27-'Financial reporting of interest in Joint Ventures' issued by the Institute of Chartered Accountants of India, the Corporation's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture company on the basis of unaudited provisional results of RIRTL for F.Y. 2011-12 are given below:

(₹ in Lakh)

Sr. No.	Name of the Joint Venture Company	% of Corporation's ownership interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
1.	RIRTL	50 %	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Figures are not available in view of the dispute with M/s Cox and Kings (India) Ltd.

NOTE NO. 41 :

IMPAIRMENT OF ASSETS

Pursuant to Accounting Standard (AS 28) impairment of Assets issued by the Institute of Chartered Accountants of India, the Corporation made an assessment on 31st March, 2012 for any indication of impairment in the carrying amount of Corporation's Fixed Assets. On the basis of such assessment, in the opinion of the management no provision for the impairment of Fixed Assets of the Corporation is required to be made during the year.

NOTE NO. 42 :

ACCOUNTING FOR TAXES ON INCOME

As per Accounting Standard (AS22) - Accounting for Taxes on Income issued by Institute of Chartered Accountants of India, the deferred tax 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 ₹ 2531.49 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.

NOTE NO. 43 :

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

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

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.**NOTE NO. 44 :**

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.

NOTE NO. 45 :

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

NOTE NO. 46 :

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

NOTE NO. 47 :**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 31.03.2012

Segment Reporting

Amount (₹ in Lakh)

Particulars	Licensee Catering		Railneer		Internet Ticketing		Tourism		Departmental Catering		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Revenue												
Income	2,806.57	30,390.90	11.34	16.49	16,064.43	14,292.46	9,588.65	6,228.19	138.54	145.12	28,609.53	51,073.16
Sales (Excluding Excise Duty and sales tax)			4,503.26	2,379.39					19,625.08	19,712.82	24,128.34	22,092.21
Inter-Segment Sales			1,304.51	1,936.31							1,304.51	1,936.31
Rail Yatri Nivas and Railway Hotels							306.76	475.74			306.76	475.74
Sales/Income(Bedroll & Cleaning)	231.91	1,235.27							-	-	231.91	1,235.27
Total Revenue	3,038.48	31,626.17	4,514.60	2,395.88	16,064.43	14,292.46	9,895.41	6,703.93	19,763.62	19,857.94	53,276.54	74,876.38
Segment Result	975.98	7,888.60	(79.39)	272.56	11,104.44	9,414.83	(1,082.61)	(621.90)	(5,353.31)	(5,546.84)	5,565.11	11,407.25
Unallocated Corporate Income												
Unallocated Corporate Expenses												
Operating Profit	975.98	7,888.60	(79.39)	272.56	11,104.44	9,414.83	(1,082.61)	(621.90)	(5,353.31)	(5,546.84)	5,565.11	11,407.25
Interest Income			-	-							2,134.77	1,616.46
Income Taxes(including deferred tax & FBT)											2,800.00	6,900.33
Profit from Ordinary Activities	975.98	7,888.60	(79.39)	272.56	11,104.44	9,414.83	(1,082.61)	(621.90)	(5,353.31)	(5,546.84)	4,899.88	6,123.38
Prior Period Income(-)/ Expenses	15.98	-									15.98	-
Bad & Doubtful Debts written off or provided	16.92	9.56	2.22	-	0.45	-					19.59	9.56
Loss on sale of assets	1.33	4.86	0.17	0.04	2.60	0.39			6.48	-	10.58	5.29
Interest Expenses											-	29.90
Net Profit	941.75	7,874.18	(81.78)	272.52	11,101.39	9,414.44	(1,082.61)	(621.90)	(5,359.79)	(5,546.84)	4,853.73	6,078.63
Other Information												
Segment Assets	50,092.98	53,009.00	4,322.58	2,576.34	21,977.59	9,901.07	4,443.33	5,303.15	(6,015.16)	(5,160.65)	74,821.32	65,628.91
Unallocable Corporate Assets											2,885.49	5,150.18
Total Assets	50,092.98	53,009.00	4,322.58	2,576.34	21,977.59	9,901.07	4,443.33	5,303.15	(6,015.16)	(5,160.65)	77,706.81	70,779.09
Segment Liabilities	40,436.85	40,587.09	808.07	511.16	3,615.54	3,898.54	770.97	601.54	3,770.64	3,438.00	49,402.07	49,036.33
Unallocable Corporate Liabilities											3,634.57	601.72
Total Liabilities	40,436.85	40,587.09	808.07	511.16	3,615.54	3,898.54	770.97	601.54	3,770.64	3,438.00	53,036.64	49,638.05
Capital Expenditure	-	256.50	1,933.29	44.79	535.38	283.01	282.25	-	563.72	340.14	3,314.64	924.44
Unallocable Corporate Expenditure											1,121.41	-
Total Corporate Expenditure	-	256.50	1,933.29	44.79	535.38	283.01	14.37	14.37	563.72	340.14	4,436.05	924.44
Depreciation	40.61	196.11	305.90	197.12	527.44	557.97	335.71	340.86	264.12	123.13	1,473.78	1,415.19
Unallocable Corporate Depreciation											-	-
Total Depreciation.	40.61	196.11	305.90	197.12	527.44	557.97	335.71	340.86	264.12	123.13	1,473.78	1,415.19

Note:

1. Departmental Catering includes Non-Railway Catering.
2. Inter-segment sales are not taken into total revenue.
3. Previous year figures have been re-arranged /regrouped and re-casted, where ever necessary to make them comparable with the current year figure in terms of Revised Schedule VI of the Companies Act, 1956

THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Indian Railway Catering and Tourism Corporation Ltd.



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.
NOTE NO. 48 : EARNING PER SHARE
Earnings Per Share

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

	2011-12	2010-11
Net Profit used as a numerator (₹ in Lakh)	4853.73	6078.63
Number of Equity Shares used as denominator (Nos in Lakh)	200	200
Earnings Per Share-Basic (In ₹)	24.27	30.39
Earnings Per Share-Diluted (In ₹)	24.27	30.39
Face Value Per Share (In ₹)	10.00	10.00

NOTE NO. 49 :

Maharaja Express Train Run by IRCTC Ltd is having Receivable from Cox & King towards Ticket cancellation amounting ₹ 2.19 Crore which has not been recognized as Income pending dispute with M/s Cox and Kings (India) Ltd.

NOTE NO.50 : DIVIDEND

During the year 2011-12, the Company has paid an interim dividend of ₹.4 Crore (₹. 2 per share, Face value ₹ 10 per share). The board of Directors has recommended Final dividend of ₹. 5.71 Crore (₹ 2.85 per share, Face value ₹ 10 per share). The Total dividend including interim dividend for the financial year 2011-12 is ₹. 11.25 Crore (including ₹ 1.54 crore dividend distribution tax), ₹ 5.63 per share (Face value ₹ 10 per share).

NOTE NO. 51 :

Value of Imports calculated on CIF basis by the Company for year 2011-12 in respect of

Raw Materials	-
Components and Spare parts	-
Capital goods	1,45,901 Euro

NOTE NO. 52 :
EXPENDITURE IN FOREIGN CURRENCY

Expenditure in Foreign Currency: -

(₹ in Lakh)

Nature of Expenses	2011-12	2010-11
Foreign Travelling Expenses Directors	11.87	7.85
Foreign Travelling Expenses-others	32.36	17.37
Total	44.23	25.22

NOTE NO. 53 :
EARNINGS IN FOREIGN EXCHANGE

Earnings in Foreign Exchange is for year 2011-12 in respect of

(₹ in Lakh)

Export of goods calculated on F.O.B basis	-
Royalty, knowhow, professional and consultation fees	-
Interest and Dividend	-
Other Income	1252.82



THESE NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTE NO. 54 :

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.

NOTE NO. 55 :

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

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

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

NOTE NO. 56 :

Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statement for the year ended 31st March 2012 are prepared as per Revised Schedule VI. Accordingly, previous year figures have been re-arranged /regrouped and re-casted, where ever necessary to make them comparable with the current year figure.

For Bhushan Bensal Jain Associates
Chartered Accountants

for and on behalf of Board of Directors

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

Sd/-
Rakesh Kumar Tandon
Managing Director

Sd/-
Nalin Shinghal
Director (T&M)

Sd/-
Sanjeeb Kumar
GGM (Finance)

Sd/-
Neeraj Kumar Aggarwal
Company Secretary

Place : New Delhi
Dated : 29th August, 2012



सत्यमेव जयते

भारतीय लेखा परीक्षा एवम् लेखा विभाग
प्रधान निदेशक लेखा परीक्षक, रेलवे-वाणिज्यिक का कार्यालय
काफमो, भारतीय रेल, तिलक ब्रिज, नई दिल्ली-110002
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
Rly-COMMERCIAL,
COFMOW, INDIAN RAILWAYS, TILAK BRIDGE, NEW DELHI-110002

No. PDA/R – C/PSU/ IRCTC/2011-12/336

Dated: 26.09.2012

To

The Managing Director,
Indian Railway Catering and Tourism Corporation Limited,
9th Floor, Bank of Baroda Building,
Sansad Marg, New Delhi

Subject: 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 2012

Sir,

The comments 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 2012 are enclosed. The comments may be placed before the Annual General Meeting along with accounts of the Company in compliance with the provisions of Section 619 (5) of the Companies Act, 1956. Six copies of the printed Annual Report and Accounts of the company may please be sent to this office at the earliest.

Receipt of the letter may please be acknowledged.

Yours faithfully,

Sd/-

(Divya Malhotra)
Director General,
Rly - Commercial

Encl: As above

**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 2012**

The preparation of financial statements of Indian Railway Catering and Tourism Corporation Limited for the year ended 31st March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 29.08.2012.

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 31st March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries on the statutory auditors and company personnel and a selective examination of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619 (4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

Comments on Auditor's Report**Annexure to Auditor's Report****Paragraph viii- Applicability of maintenance of cost records**

The Company has three packaged drinking water processing units. The Company had a turnover exceeding Rs. 20 crore in 2010-11. Therefore it was required to maintain cost records as per the provisions of the Companies (Cost Accounting Records) Rules, 2011 as notified by the Ministry of Corporate Affairs vide notification No. G.S.R. No. 429(E) dated 3rd June, 2011.

However, the Company had not maintained cost records.

The Statutory Auditors failed to report the non-compliance of the above Rules in their report to the shareholders of the Company.

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

Place: New Delhi

Date: 26.09.2012

Sd/-

**(DIVYA MALHOTRA)
Director General
Rly - Commercial**

Comments of the Comptroller and Auditors General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of Indian Railway Catering and Tourism Corporation for the Year ended 31st March, 2012.

CAG Auditors Certificate dated 26.09.2012	Management Replies
<p>Comments on Auditor's Report Annexure to Auditor's Report Paragraph viii - Applicability of maintenance of Cost Record</p> <p>The Company has three packaged drinking water processing units. The Company has a turnover exceeding ₹ 20 Crores in 2010-11. Therefore it was required to maintain cost records as per provisions of the Companies (Cost Accounting Records) Rules, 2011 as notified by the Ministry of Corporate Affairs vide notification No G.S.R No. 429 (E) dated 03rd June, 2011.</p> <p>However, the Company has not maintained cost Records.</p> <p>The Statutory Auditors failed to report the non compliance of the above rules in their report to the shareholders of the Company.</p>	<p>No specific notification by the Ministry of Corporate Affairs was issued to the Corporation on the maintenance of Cost records and no such notification has been received so far.</p> <p>Mineral water is covered under Packaged food product (Chapter 22 of Central Excise Act. Cost Audit is applicable on this product from financial year 2012-13, but the maintenance of cost accounting record rules, 2011 is applicable from financial year 2011-12.</p> <p>Corporation has opted three phase audit system with CAG since financial year 2009-10 so that all the observations of CAG of second phase audit may be complied in third phase of Audit.</p> <p>Statutory Auditors and Audit team of CAG in their first and second phase audit did not highlight the non compliance on the maintenance of cost accounting records rules.</p> <p>However, appointment of Cost Auditors for financial year 2012-13 is already in process and all necessary compliances for the same is being made.</p>

Place : New Delhi
Dated : 27th September, 2012

Sd/-
Rakesh Kumar Tandon
Managing Director

Sd/-
Nalin Shinghal
Director (T&M)

Sd/-
Sanjeeb Kumar
GGM (Finance)

TEN YEARS FINANCIAL HIGHLIGHTS

(₹ in Crore)

Sr. No.	Particulars	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010	2010-2011	2011-2012
1	Total Income (including other income)	73.61	69.59	127.09	267.98	433.54	527.66	618.77	721.97	764.93	554.11
2	Expenditure(including increase/ decrease in stock)	63.57	60.14	115.55	232.96	398.22	486.12	536.68	614.63	620.69	462.83
3	Operating Margin	10.04	9.45	11.54	35.02	35.32	41.54	82.09	107.34	144.24	91.28
4	Interest Expenses	0	0	0	0	0	0	0	0.03	0.30	0.00
5	Depreciation	0.90	3.03	3.61	3.39	5.32	8.28	10.10	12.55	14.15	14.74
6	Profit before Tax	9.14	6.42	7.93	31.63	30.00	33.26	73.85	94.76	129.79	76.54
7	Profit after tax	5.55	4.12	5.21	19.78	20.23	20.75	46.50	63.05	60.79	48.54
8	Dividend	1.20	1.00	1.00	4.00	4.00	4.15	9.31	12.61	12.16	9.71
9	Foreign Projects Reserve	0	0	0	0	0	0	0	0	0	0
10	General Reserve	2.50	2.50	2.50	14.00	12.00	16.00	35.00	45.00	45.00	35.00
11	Other Reserves	0	0	0	0	0	0	0	0	2.00	0.00
12	Reserve and Surplus	5.02	8.01	12.10	27.32	42.96	58.85	94.46	142.76	191.41	226.70
13	Net Fixed Assets(Gross Block)	4.11	22.80	25.33	31.01	41.61	61.38	76.36	126.84	135.18	178.76
14	Inventories	0	1.74	3.73	7.20	5.97	5.73	5.19	7.79	6.21	5.45
15	Foreign exchange earnings	0	0	0	0	0	0.45	30.85	13.48	13.27	12.53
16	Share Capital	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
17	Capital Employed	14.18	27.76	31.75	48.92	63.19	80.53	103.87	151.72	195.05	244.69
18	Government Investment	0	0	0	0	0	0	0	0	0	0
19	Net Worth	24.98	27.47	31.79	47.24	62.96	78.85	114.46	162.76	211.41	246.70
20	Profit before tax to Capital employed (in%)	64.46	23.13	24.98	64.66	47.48	41.30	71.10	62.46	66.54	31.28
21	Operating Margin to capital employed (in %)	70.80	34.04	36.35	71.59	55.89	51.58	79.03	70.75	73.95	37.30
22	Profit after tax to share capital (in%)	27.75	20.60	26.05	98.90	101.15	103.75	232.50	315.25	303.95	242.70
23	Expenditure to income (in %)	86.36	86.42	90.92	86.93	91.85	92.13	86.73	85.13	81.14	83.53
24	Number of employees	45	1318	2146	5616	5246	4963	3780	2645	1934	1762
25	Income per employee	1.64	0.05	0.06	0.05	0.08	0.11	0.16	0.27	0.40	0.31
26	Foreign exchange earning per employee	0	0	0	0	0	0.00	0.01	0.01	0.01	0.01
27	Current Ratio	1.22	1.13	1.16	1.14	1.13	1.12	1.13	1.13	1.22	1.26
28	Debt/ Equity Ratio	0	0	0	0	0	0	0	0	0	0
29	Investments	0	0	0	0	0	0	2.50	2.50	0	0





दाएं से बाएं श्री राकेश कुमार टंडन, प्रबंध निदेशक, आईआरसीटीसी, डॉ. आर. के पचौरी, महानिदेशक, टेरी, श्री श्रीप्रकाश, पूर्व सदस्य यातायात, रेलवे बोर्ड, आईआरसीटीसी की सीएसआर पहल के अन्तर्गत "सूपी" ग्राम में "वर्षा जल संग्रहण प्रणाली" की स्थापना के संबंध में ग्राम "सूपी", मुक्तेश्वर में ग्रामीणों को संबोधित करते हुए।

Seen from right to left, Shri Rakesh Kumar Tandon, MD IRCTC, Dr. R.K. Pachauri, Director General, TERI, Shri Shri Prakash, Ex- Member Traffic, Railway Board addressing the villagers of SUPI village, Mukteshwar, in respect of establishing a rain water harvesting system in 'SUPI' Village under IRCTC CSR initiatives.



श्री राकेश कुमार टंडन, प्रबंध निदेशक, आईआरसीटीसी, आईआरसीटीसी की सीएसआर पहल के भाग के रूप में सूपी ग्राम, मुक्तेश्वर में ग्रामीणों को सौर लालटेन बांटते हुए।

Shri Rakesh Kumar Tandon, MD IRCTC distributing Solar lantern to the villagers of SUPI village, Mukteshwar, as part of IRCTC CSR initiatives.



आईआरसीटीसी द्वारा सीबीआई के मुख्यालय, लोधी रोड़, नई दिल्ली में आयोजित खानपान का दृश्य।
Catering event organised by IRCTC at CBI, Head Quarters, Lodi Road, New Delhi.



आनंद विहार टर्मिनल, नई दिल्ली में फूड एक्सप्रेस किओस्क "झट पट" का दृश्य
View of 'Jhat Pat', The Food Express kiosk at Anand Vihar Terminal, New Delhi.



25 फरवरी 2012 को जवाहर लाल नेहरू स्टेडियम, नई दिल्ली में युवा मामले एवं खेल मंत्रालय, भारत सरकार के अंतर्राष्ट्रीय प्रतिनिधि मंडल के लिए आईआरसीटीसी द्वारा आयोजित विशेष बैंकवेट रात्रि भोज के अवसर का दृश्य। इस अवसर पर 800 मेहमानों के साथ युवा मामले एवं खेल मंत्रालय के सचिव सहित चीन से आए प्रतिनिधि भी उपस्थित थे।

Special Banquet dinner event organized by IRCTC for the International Delegation of Ministry of Youth Affairs & Sports, Government of India at Jawaharlal Nehru Stadium New Delhi on 25th Feb'2012. Over 800 guests including Secretary, Ministry of Youth Affairs & Sports and delegates from China attended this event.



श्री राकेश कुमार टंडन, प्रबंध निदेशक, आईआरसीटीसी, की उपस्थिति में श्री के.के. झा, सदस्य (मानव संसाधन) भारतीय विमान पत्तन प्राधिकरण, राजीव गांधी भवन, नई दिल्ली में खानपान के उद्घाटन के अवसर का दृश्य।

Inauguration of Catering at Airports Authority of India, Rajiv Gandhi Bhawan, New Delhi by Shri K.K. Jha, Member/ HR (Rajiv Gandhi Bhawan) in presence of Shri Rakesh Kumar Tandon, MD/IRCTC.



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

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

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