



इंडियन रेलवे कैंटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड
(भारत सरकार का उद्यम-मिनी रत्न)
INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.
(A Govt. of India Enterprise-Mini Ratna)

"CIN-L74899DL1999GOI101707" E-mail : info@irctc.com Website : www.irctc.com

No. 2019/IRCTC/CS/ST.EX/356

Dated: 10th July, 2020

BSE Limited (Through BSE Listing Centre) 1 st Floor, New Trade Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street Fort, Mumbai – 400 001 Scrip Code: 542830	National Stock Exchange of India Limited (Through NEAPS) "Exchange Plaza", -1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Symbol: IRCTC
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Sub: Outcome of the Board meeting pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sir/Madam,

The Board of Directors in its meeting held on Friday, July 10, 2020, has inter-alia:

1. Approved the Audited Financial Results for the quarter and year ended March 31, 2020 (as recommended by the Audit Committee) alongwith Auditors' Report thereon;
2. Recommended a Final Dividend of Rs. 2.50/- per equity share of face value of Rs. 10/- each for the financial year 2019-2020 (@ 25% of the paid-up share capital of Rs. 160 cr.) subject to the approval of shareholders in the forthcoming Annual General Meeting. This Final Dividend is in addition to the Interim Dividend declared at Rs.10/- per share of face value of Rs. 10/- each (100% of the paid-up share capital of Rs. 160 cr) already paid in February, 2020.

In view of the above, please find enclosed herewith the copy of the Audited Financial Results of the Company for the quarter and year ended March 31, 2020 along with Auditors Report and Declaration regarding unmodified opinion on Auditors Report. The aforesaid results are being made available on the website of the Company i.e. www.irctc.com.


The Board meeting commenced at 1300 hours and concluded at 1710 hours.

This is for your information and record please.

Thanking you,

Yours faithfully,

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


(Suman Kalra)
Company Secretary and Compliance Officer
Membership No. : FCS: 9199

Encl: As above



Indian Railway Catering & Tourism Corporation Limited		
CIN : L74899DL1999GOI101707		
REGISTERED & CORP.OFFICE: 11th FLOOR,B-148 STATESMAN HOUSE, BARAKHAMBA ROAD, NEW DELHI-110001		
STATEMENT OF ASSETS & LIABILITIES		
PARTICULARS	Amount in ₹ Lakhs	
	AS AT 31.03.2020 (AUDITED)	AS AT 31.03.2019 (AUDITED)
ASSETS		
NON CURRENT ASSETS		
Property, Plant & Equipments	15,585.09	14,704.91
Capital Work in Progress	1,620.79	4,037.71
Investment Property	2,738.82	2,765.59
Intangible Assets	434.05	754.80
Right-of-use Assets	9,581.13	-
FINANCIAL ASSETS		
Investments	0.32	0.32
Loans	18.14	239.17
Other Financial Assets	8.06	8.06
Deferred Tax Assets (Net)	6,572.45	8,171.99
Other non-current Assets	2,625.80	2,287.20
CURRENT ASSETS		
Inventories	976.30	788.87
FINANCIAL ASSETS		
Investments	-	-
Trade Receivables	78,941.26	58,745.40
Cash and Cash Equivalents	59,739.41	46,006.95
Bank Balances other than Cash and Cash Equivalents	69,903.38	67,996.60
Loans	1,188.91	835.15
Other Financial Assets	14,798.83	3,482.53
Current Tax Assets (Net)	4,202.15	1,008.46
Other Current Assets	56,048.94	47,589.94
Total Assets	3,24,983.82	2,59,423.65
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	16,000.00	16,000.00
Other Equity	1,16,781.76	91,101.93
LIABILITIES		
NON CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
Other Financial Liabilities	7,907.96	1,472.24
Provisions	4,888.14	4,616.09
Other Non-Current Liabilities	776.81	581.01
CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
Trade Payables	16,953.81	19,312.88
Other Financial Liabilities	78,341.40	60,703.72
Provisions	3,111.14	1,375.34
Other Current Liabilities	80,222.81	61,715.65
Current Tax Liabilities (Net)	-	2,544.79
TOTAL EQUITY AND LIABILITIES	3,24,983.82	2,59,423.65

For & on behalf of the Board of Directors



Mahendra Pratap Mall
Chairman & Managing Director/Chief Executive Officer
DIN:-02316235

Place : New Delhi
Dated : 10th July, 2020



Indian Railway Catering & Tourism Corporation Limited						
CIN : L74899DL1999GOI101707						
REGISTERED & CORP.OFFICE: 11th FLOOR, B-148 , STATESMAN HOUSE, BARAKHAMBA ROAD, NEW DELHI-110001						
STATEMENT OF FINANCIAL RESULTS						
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020						
S.No.	PARTICULARS	Amount in ₹ Lakh				
		Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
I.	Revenue from operations	(Audited)	(Un-Audited)	(Un-Audited)	(Audited)	(Audited)
II	Other Income	58,688.93	71,598.41	49,774.01	2,27,548.39	1,87,000.22
III	Total Revenue (I+II)	1,994.43	1,899.63	4,240.24	7,805.32	8,893.73
	Expenses	60,683.36	73,498.04	54,014.26	2,35,353.70	1,95,893.96
	Cost of Materials Consumed					
	Purchase of Stock-in-Trade**	2,327.30	3,016.73	1,968.07	10,992.96	9,331.13
		250.54	717.65	(6,776.68)	2,857.66	3,095.07
	Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	(61.35)	(113.60)	(82.05)	(69.57)	(14.62)
	Expenses of Catering Services**	14,561.95	18,097.74	25,598.76	67,278.88	62,625.95
	Expenses of Tourism	7,727.32	12,153.25	5,915.60	28,740.89	30,718.76
	Manufacturing & Direct Expenses	2,696.12	2,253.64	2,135.41	9,610.81	6,784.09
	Employee benefit expense	6,850.03	6,070.67	4,975.08	24,401.03	19,505.80
	Finance costs	287.15	198.79	234.63	727.38	234.86
	Depreciation and amortization expense	1,039.26	1,226.81	1,256.38	3,993.83	2,863.96
	Other Expenses	4,147.96	2,834.34	8,978.86	12,396.21	16,632.03
IV	Total Expenses (IV)	39,826.28	46,456.03	44,204.06	1,60,930.09	1,51,777.04
V	Profit before exceptional items and tax (III - IV)	20,857.08	27,042.01	9,810.20	74,423.62	44,116.92
VI	Exceptional Items	41.00	-0.00	3,739.12	111.40	3,739.12
VII	Profit before tax (V - VI)	20,898.08	27,042.01	13,549.32	74,535.02	47,856.04
	Tax expense:					
	-Current Year	5,807.67	6,605.37	6,355.00	19,871.97	18,823.35
	- Earlier Years	82.20	-	-	82.20	-
	-Deferred tax	-52.58	(143.79)	(1,202.75)	1,723.72	(1,823.70)
VIII	Profit After Tax from continuing operations**	15,060.79	20,580.43	8,397.06	52,857.13	30,856.39
	Other Comprehensive Income					
	(i) Items that will not be reclassified to Profit or Loss					
	- Remeasurment of post-employment benefit obligation	-94.56	(34.16)	39.98	(493.36)	39.98
	- Income Tax Effect	23.80	8.60	(13.97)	124.18	(13.97)
IX	Total Other Comprehensive Income for the period (Net of Tax)	(70.76)	(25.56)	26.01	(369.18)	26.01
X	Total Comprehensive Income for the period	14,990.03	20,554.87	8,423.07	52,487.95	30,882.40
	Paid-up Equity Share Capital (Face value of Rs.10/- each)	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00
	Other Equity				1,16,781.76	91,101.93
	Earning per share (EPS)*					
	Basic (Rs.)	9.41	12.86	5.25	33.04	19.12
	Diluted(Rs.)	9.41	12.86	5.25	33.04	19.12

*EPS for quarter are not annualised. Number of shares used for calculation of EPS/DPF = 1,60,00,000

*EPS for quarter are not annualised. Number of shares used for calculation of EPS/DPS are 1600 lakhs.

** Figure for quarter ended 31st March, 2019 is negative due to transfer of the expenses to Expenses of Licensee catering expenses during last quarter due to change in model of operation of the mobile catering units. Accordingly Expenses of Licensee catering expenses have been increased.

Notes:

- The above results have been reviewed by Audit Committee and approved by the Board of Directors in its meeting held on 10th July 2020. The audited financial results are subject to supplementary audit by the Comptroller & Auditor General of India under section 143(6) of the Companies Act, 2013.
- The Financial Results of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- The shares of the company were listed on 14th October 2019 and in the absence of any practice of quarterly closing during pre listing period, the results for the quarter ended 31st March, 2019 have been prepared and reviewed by the management and also approved by the audit committee & Board. The company has adopted Ind AS 115 "Revenue from contracts with customers" w.e.f 1st April 2018. The adoption of standard did not had any material impact on financial results of company, hence the impact of IndAS 115 is not considered for comparative financial statements for the quarter and nine months ended 31st December, 2018. The company has adopted IndAS 116 "Leases" with effect from 1st, April 2019 using the modified retrospective method, and thereby using the cumulative effect method and hence the comparative information is not restated. The adoption of standard did not have any material impact on the above financial results of the company.
- Figures for the 4th quarter of Current Financial Year are the balancing figures between audited figures in respect of the full current Financial Year and the pulished year to date figures upto the 3rd quarter of the current Financial Year.
- The Board of Directors of the Company have proposed final dividend of Rs. 2.50 per share (face value of Rs. 10.00 per share) and further, Company has paid interim dividend of Rs. 10.00 per share (face value of Rs. 10.00 per share) for financial year 2019-20.
- Nationwide lockdown, consequent to spread of Covid-19 pandemic had temporarily disrupted the operations of the Company. The manufacturing facilities and other services during the period March 23rd to March 31st, 2020 were inoperative, which alongwith the COVID impact globally (before the lockdown in India) impacted the revenues for the year. Based on the internal & external information upto the date of approval of the financial statements, the Company expects to recover the carrying amount of its assets, investments, trade receivable, contract assets & inventories. The Company will continue to monitor the future economic conditions and assess its impact on its financial statements.
- The figures for the previous period have been regrouped/reclassified, wherever necessary.

For & on behalf of the Board of Directors


Mahendra Pratap Mali
 Chairman & Managing Director/Chief Executive Officer
 DIN:-02316235

Place : New Delhi
 Dated : 10th July, 2020



Indian Railway Catering & Tourism Corporation Limited

Statement of Cash Flow for the year ended 31st March, 2020

Amount (₹ in Lakhs)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A. Cash Flow from Operating Activities		
Profit before tax	74,535.02	47,856.04
Adjustments for :-		
Depreciation	3,993.83	2,863.96
Loss on sale of Fixed Assets	233.51	14.54
Interest Income	(4,931.86)	(5,088.18)
Dividend Income from Mutual fund	(389.74)	(637.28)
Interest Expenses on Lease Liabilities	527.65	-
Operating Profit before operating capital changes (1)	73,968.40	45,009.08
Adjustments for :-		
Decrease / (Increase) in Inventories	(187.43)	(48.27)
Decrease/ (Increase) in Trade & Other Receivables	(20,195.86)	(3,553.56)
Decrease/ (Increase) in Other Non Current Financial assets	-	88.59
Decrease/ (Increase) in Other Current Financial assets	(12,602.03)	(96.96)
Decrease/ (Increase) in Other Current assets	(8,459.00)	12,147.01
Decrease/ (Increase) in Other Non Current assets	(338.60)	(1,084.68)
Decrease/ (Increase) in Financial Assets Loans	(132.73)	30.18
(Decrease) / Increase in other Non current financial liability	916.08	(950.94)
(Decrease) / Increase in Non Current Provisions	(221.31)	(1,190.91)
(Decrease) / Increase in Other Non current liabilities	195.80	(112.43)
(Decrease) / Increase in trade payables	(2,359.08)	4,206.74
(Decrease) / Increase in Other financial liability	15,397.39	9,694.41
(Decrease) / Increase in Other Current Liability	18,507.16	1,176.30
(Decrease) / Increase in Current provisions	1,735.80	1,047.80
Decrease / (Increase) in Current Investments	-	-
(2)	(7,743.81)	21,353.28
Cash generated from operation (1+2)	66,224.60	66,362.36
Income Tax Paid (Net of refunds)	(25,692.64)	(16,458.81)
Total Cash generated from Operating Activities	40,531.96	49,903.55
B. Cash Flow From Investing Activities		
Sale/Disposal of Property, Plant and Equipment's & Other intangible assets	47.90	34.14
Purchase of Property, Plant and Equipment's & Other intangible assets	(3,528.83)	(5,428.08)
Interest Receivable	6,217.60	3,409.15
Dividend received	389.74	637.28
Changes in Other Bank balances	(1,906.78)	(33,925.24)
Net Cash used in Investing Activities	1,219.63	(35,272.75)
C. Cash Flow From Financing Activities		
Payment of principal portion of Lease Liability	(1,211.00)	-
Payment of interest portion of Lease Liability	-	-
Dividend Paid (including Tax on Dividend)	(26,808.12)	(17,939.75)
Net Cash generated from Financing Activities	(28,019.12)	(17,939.75)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	13,732.46	(3,308.94)
Opening Cash & Cash Equivalents	46,006.95	49,315.89
Closing Cash & Cash Equivalents	59,739.41	46,006.95

For & on behalf of the Board of Directors



Mahendra Pratap Mall

Chairman & Managing Director/Chief Executive Officer

DIN:-02316235

Place : New Delhi

Dated : 10th July, 2020



Indian Railway Catering & Tourism Corporation Limited

CIN : L74899DL1999GOI101707

REGISTERED & CORP.OFFICE: 11th FLOOR, B-148 STATESMAN HOUSE BARAKHAMB ROAD, NEW DELHI-110001

SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

PARTICULARS	Amount in ₹ Lakhs				
	QUARTER ENDED			YEAR ENDED	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Un-Audited)	(Un-Audited)	(Audited)	(Audited)
1 SEGMENT REVENUE					
a) Catering	23628.66	26,920.15	29,501.51	1,04,414.60	1,02,440.12
b) Rail neer	5110.72	5,860.56	4,301.30	22,206.63	17,348.07
c) Internet Ticketing	19360.19	22,690.46	6,571.70	61,980.45	23,127.19
d) Tourism	10165.69	9,486.52	8,291.40	29,487.33	24,627.36
e)State Teertha	423.69	6,640.71	1,108.11	9,459.38	19,457.49
TOTAL (Revenue from Operations)	58688.93	71,598.41	49,774.01	2,27,548.39	1,87,000.22
2 SEGMENTS RESULTS					
Profit/Loss (before tax, interest and investments income from each segment)					
a) Catering	2923.88	2,979.74	2,779.42	11,982.41	14,697.42
b) Rail neer	1559.73	1,447.93	352.32	5,207.35	3,331.37
c) Internet Ticketing	15453.05	19,336.59	6,261.00	49,473.66	16,071.30
d) Tourism	-41.25	837.23	1,154.12	1,028.92	3,108.03
e)State Teertha	42.30	960.88	698.66	1,521.07	4,912.93
TOTAL	19937.70	25,562.37	11,245.51	69,213.41	42,121.05
Add: a)Interest Income	960.39	1479.62617	2,303.80	5,321.61	5,734.99
TOTAL	20,898.09	27,042.00	13,549.31	74,535.02	47,856.04
PROFIT BEFORE TAX	20,898.09	27,042.00	13,549.31	74,535.02	47,856.04

Notes:

- Assets and Liabilities used in the company's business are not identified to any of the reportable segments as these are used interchangeably between segments. The Company believes that it is currently not practicable to provide segmental disclosure relating to total assets and liabilities since a meaningful segregation of the available data could be onerous.
- The shares of the company were listed on 14th October 2019 and in the absence of any practice of quarterly closing during pre listing period, the results for the quarter ended 31st March, 2019 have been prepared and reviewed by the management and also approved by the audit committee & Board.

For & on behalf of the Board of Directors



Mahendra Pratap Mall

Chairman & Managing Director/Chief Executive Officer

DIN:-02316235

Place : New Delhi

Dated : 10th July, 2020





INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **M/s Indian Railway Catering and Tourism Corporation Limited** ('the Company'), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements read along with our audit report give the information required by the Act in the manner so required and give a true and fair view in conformity with the in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

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





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

Deferment of such integration charges in terms of above based on the past information compiled by the management is estimated to cause overstatement of revenue by Rs.6.33 crores during the financial year ended 31st March 2020 and other equity comprising of reserves and surplus as at 31st March 2020 by Rs.37.74 crores

Information Other than the Financial Statements and Auditor's Report Thereon

- a. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
- b. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- c. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- d. When we read the Other Information, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with governance. That such information is pending for approval on the date of audit report.



e. Management's Responsibility for the Standalone Financial Statements

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

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

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





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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public





disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

1. Report on other Legal & Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report hereunder along with emphasis on some matters. Our Opinion is not modified on such matters.

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for third party confirmations including balances payable/receivable from railways. Further the party wise receivables and payables as per sub-ledgers in the ERP system could not be reconciled with the corresponding ledger balances as per ERP System.
- b. In our opinion, the internal control as well as the internal audit system is not commensurate with the size of the company and the nature of its operations. There is an immediate need to develop stronger MIS for periodical closure and review of operations at zonal level and of various business segments which could reduce the errors and omissions observed during the course of audit.
- c. That with regards to the convenience charges (formally known as service charges) received on the online ticketing booking amounting to Rs.349.64 Crores up to March 31, 2020, reliance has been placed on the management representation that unlike the previous arrangement with the Indian Railways, there is no obligation upon the company to share the service charges earned with the Indian Railways. In our opinion, that reference was made to the Railway Board that restoration of convenience charges is must to recover the infrastructure cost whereas the Internet Ticketing Division has reasonable high operating margins as per Note No.59 to the financial statements.
- d. That in our opinion, the railways share of 15% needs to be provided on the revenue from portion of supply of food from the base kitchens operated by IRCTC in terms of the Catering Policy 2017, the same being in the nature of revenue from departmentally managed units. The same shall result in increase in expenses to the tune of Rs.2.96 Crores for the financial year under consideration. Further the railway share on trains operated under partial unbundling model in previous financial years amounting to Rs.18.49 crores not provided for, pending clarification from the Railways may reduce the retained earnings of the company.
- e. That in our opinion, in terms of the catering policy, there is a need to do a yearly assessment of the sales to review and reassess the license fee for static units but no such information/revision was shared with us. Also, Trade receivable includes licensees with significant increase in credit risk and also those which are credit impaired on account of legal disputes, yet renewals as well as new business arrangement are conducted with such parties without settling pending disputed claims. In our opinion there is a need to fully adapt the e-tendering system and to reduce the number of limited tenders floated during the year for having a wider range of qualified vendors associated with the company.
- f. In our opinion, immediate measures need to be taken to upgrade the current ERP system along with adequate training to the staff for reducing manually compiled reports and timely delivery of integrated financial data during course of audit. This shall also require identification and reconciliation of the legacy transactions the balances of which is stated to have been existing since the migration of data from earlier financial system to





present financials maintained in Oracle apart from legacy transactions pertaining to the period of transfer of operations from/to railways.

Further, reconciliation between the transactions executed through 3rd party applications/portals as well as manual data with the financial information posted in the books of accounts could not be made and accordingly reliance was placed on information available on records and verified on test check basis as per the financial books. In our opinion the data posting between all the 3rd party application/portals needs to be fully automated & documented for verification.

- g. That the bank balances reflected in the financial statements have been stated as per the books of accounts and are subject to posting of financial payments and receipts crystallized in the company bank accounts but which are pending confirmations/reconciliations. Further the transaction by transaction reconciliation could not be made for some of the bank accounts being handled at Internet Ticketing division of the company on account of voluminous ticket booking and cancellation transactions on behalf of railways. (Refer to Note No. 38)
- h. That the company is in the process of reconciling the liabilities under GST as well as the credit admissibility with the returns filed. That financial implications of the same shall be assessed once the reconciliation activity for the previous years is completed. That as represented to us the assessment of carry forward liability on account of various provisions including reverse charge mechanism on payment to railways, reimbursement claims etc. is being done and suitable corrective measures shall be taken based on directions from the Legal consultant in due course of time.
- i. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- j. the balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account
- k. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder except as stated hereunder:
- i. That with regards to the Ind Accounting Standard 31 on Interest in Joint Ventures, on account of the ongoing litigation with M/s Cox & Kings Ltd. in respect of joint venture company M/s Royale India Rail Tours Limited, for which the financial have not been prepared since 2010-11 and hence the company is neither filing the consolidated financial statements nor the disclosures have been made regarding the financial position of such joint venture company.
- Further in view of the termination of the joint venture agreements, the company is of the view that M/s Cox & Kings Ltd cannot invoke arbitration clause in relation to the reliefs sought. Consequential financial impact, if any could not be ascertained. (Refer to Note 37.3 & 45)
- ii. That with regards to the Ind Accounting Standard 37 on Provisions, Contingent Liabilities and Contingent Assets,

The commissioner of VAT vide order dated 23rd March 2006 had levied VAT on on-board catering services in train treating the same as sales. The plea of the company was not accepted by the Appellate Tribunal as well as by the Hon' Delhi High Court and SLP is now pending at the Hon' Supreme Court. The





SERVA ASSOCIATES

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

- l. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- m. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls the reporting requirement have been reported in Annexure B.
- n. That as required by Section 143(5) of the Act, and as per the directions issued by the Comptroller and Auditor General of India, refer to our report in Annexure C
- o. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - a. The Company has represented and disclosed the impact of pending litigations on its financial position in its Ind AS financial statements (Refer to Note No.37.2, 37.3 & 37.4)
 - b. The company had not entered into any long term contracts including derivative contracts
 - c. There were no amount which was required to be transferred to Investor education & Protection fund by the company.

For Serva Associates

Chartered Accountants

FRN: 000272N

CA Nitin Jain

(Partner)

Membership Number: 506898

UDIN: 20506898AAAADL2014



Place: Delhi

Date: July 10, 2020



Annexure'A' to the Independent Auditors' Report

As referred to in the Auditors' Report of even date to the members of **M/s Indian Railway Catering and Tourism Corporation Limited** on the Ind AS financial statements for the year ended March 31, 2020

- (i)
- (a) The company has maintained records showing full particulars, including quantitative details and situation of fixed assets however the asset number wise identification is not available.
- (b) As represented to us all the assets have been physically verified by the management during the year at regular intervals according to a program of verification. In our opinion, the manner of physical verification needs to be elaborated and formalized. No material discrepancies have been reported on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the company & no material discrepancies were reported on physical verification of the inventory during the year. The inventory has been taken as quantified, valued and certified by the management.
- (iii) The company has not granted any loan secured or unsecured to companies, firms, Limited liability partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act and hence provisions para (iii) are not applicable.
- (iv) The company has not given/advances any loans to directors and parties covered under Section 185 or loans and advances under Section 186 of the Companies Act, 2013 and hence the provisions of paragraph (iv) are not applicable to the company.
- (v) The company has not accepted any deposits and hence para (v) is not applicable.
- (vi) According to the information and explanations given to us, in our opinion the maintenance of cost records have not been prescribed for the company by the Central Government under subsection (1) of section 148 of the Companies Act, though the same have been made voluntarily by the company.
- (vii)
- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues deducted/accrued in the books of accounts including Income Tax, Goods and service Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, Goods and Service Tax, cess and other statutory dues were in arrears which was payable as at 31st March'2020 for a period of more than six months from the date they become payable. However the liabilities under GST are subject to reconciliation as stated in our report above and such liability if any could not be assessed.





- (b) According to the information and explanation given to us, the statutory dues which have not been deposited on account of dispute with the authorities apart is as under:

Name of the Statute	Nature of Dues	Period to which amount pertains	Amounts in Lakhs	Forum where dispute is pending	Remarks
ENTRY TAX	Assessment, Interest & Penalty	2011-12 to 2012-13	0.90	High Court	Hearing in Process
Service Tax	Tax on Renting, Agent Business, catering etc	01.04.2007 to 31.03.2012	7,902.16	CESTAT	Hearing in Process
Service Tax	On charter coach booking	April 2016 to June 2017	48.44	Commissioner	Hearing in Process
Service Tax	Tax on Renting, Agent Business, catering etc	2012-13 upto June 2017	23.05	CESTAT	Hearing in Process
Service Tax	Demands on catering, tour operations, goods transportation etc.	2014-15	177.87	High Court/ Tribunal / Appellate Authority	Hearing in Process
Service Tax	On Sale of Package Drinking Water	2008-09 to 2012-13	38.57	CESTAT/Commissioner (Appeals)	Hearing in Process
VAT	Demand on Mobile Catering Services	2008-09 to June 2017	8,251.01	Supreme Court	Hearing in Process
VAT	Assessment, Interest & Penalty	2005-06 & 2008-09	373.30	Jt. Comm. Of Sales Tax (Appeal)	Hearing in Process
VAT	ITC Denial, demand on Mobile Catering	2010-11 to 2012-13	161.70	Tribunal	Hearing in Process
VAT Bihar	Demand on Mobile Catering Services	2008-09 to 2011-12	915.80	Supreme Court	Hearing in Process
VAT Bihar	Demand on Mobile Catering Services	2011-12	73.24	High Court/ Tribunal / Appellate Authority	Hearing in Process
VAT Delhi	Assessment, Interest & Penalty	2012-13	77.74	VATO, SPL OHA	Hearing in Process
VAT Delhi & CST	Assessment, Interest & Penalty	2009-10 to 2010-11	599.38	Special Commissioner (DVAT)	Hearing in Process
VAT Delhi & CST	Assessment, Interest & Penalty	2013-14 to 2015-16	427.97	DVAT OHA	Hearing in Process
VAT Jharkhand	Penalty	2010-11 to 2012-13	46.31	ADC	Hearing in Process
VAT Jharkhand	Demand	2010-11 to 2012-13	40.03	High Court/ Tribunal / Appellate Authority	Hearing in Process
VAT Kerala	Pertaining to Denial of Compounding Rate	2014-15	47.57	ACTO	Hearing in Process
VAT Odisha	Assessment, Interest & Penalty	2011-12 to 2013-14	147.56	Commissioner, Tribunal	Hearing in Process
VAT Odisha	Demand on Mobile Catering Services	2011-12 to 2012-13	14.11	Tribunal	Hearing in Process
VAT Rajasthan	Assessment, Interest & Penalty	2005-06 to 2016-17	32.56	ACTO	Hearing in Process
VAT UP	Assessment, Interest & Penalty	2008-09	17.08	Commissioner (UPVAT)	Hearing in Process
TOTAL			19,416.34		

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues against the borrowings made from Banks. No borrowings have been made from other financial institutions or debentures.
- (ix) The company has not raised any money by way of Initial Public Offer (IPO) or further public offer (including debt instruments). As per the decision of Government of India to disinvest the shareholding by 12.6% of paid up share capital of company, the initial public offer was held on 30th September, 2019 and the shares of the Company were listed on NSE and BSE on 14th October, 2019. Accordingly, 2,016 crore (Two Crore one Lakh sixty thousand total share) shares i.e. 12.6% of total capital having face value of Rs.10/- each were offered to public through offer for sale, out of which 1.6 lakh share were reserved for employees (approx. 0.79% of total issue). No term loans were taken by the company.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the representations made to us, 2 cases of frauds were detected during the year and are under investigation however on account of the directions given by the Railway Board details of the same were not shared and hence we are unable to comment on the materiality and the financial implications of the same on the company. Further details on frauds (if any) where investigation was concluded during the year was also not shared with us during the course of audit.
- (xi) As per Notification dated 05.06.2015, Section 197 of the Act is not applicable in case of a Government Company. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) The company is not a nidhi company & hence paragraph (xii) of the order is not applicable.





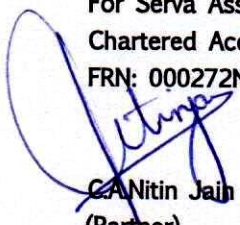
SERVA ASSOCIATES
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- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standard.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph (xv) of the order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Serva Associates

Chartered Accountants

FRN: 000272N


CA Nitin Jain
(Partner)

Membership Number: 506898

UDIN: 20506898AAAADL2014



Place: Delhi

Date: July 10, 2020



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

We have audited the internal financial controls over financial reporting of M/s Indian Railway Catering and Tourism Corporation Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)





provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We have broadly reviewed the operating procedures and identification of potential risks involved as documented by the management. Effort has been made to cover substantially the entire business of the company, yet owing to multiple geographical locations & Covid-19 induced movement restriction, the testing of the risks control measures was restricted to limited samples selected. However, we have considered the limitation reported above in determining the nature, timing & extent of audit test applied in our audit of Ind AS financial statements of the company and the limitations do not affect our opinion on the Ind AS financial statements of the Company.

Opinion

In our opinion, suitable measures needs to be taken for adapting system control procedures as against the manual control procedures being followed for over all strengthening of the financial control system. That reliance has been placed on such manual control procedures along with management representations including suitable measures being taken in the updated ERP System under implementation. We have performed the testing of internal financial controls over financial reporting at the Corporate level and subject to the above, the same were principal operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Serva Associates
Chartered Accountants
Firm Registration Number: 000272N

C.A. Nitin Jain
(Partner)

Membership Number: 506898
UDIN: 20506898AAAADL2014



Place: Delhi
Date: July 10, 2020



Annexure - C to the Auditors' Report

Report under Section 143(5) of the Act, and as per the directions issued by the Comptroller and Auditor General of India on Financials of M/s Indian Railway Catering and Tourism Corporation Limited for the Financial Year ended 31st March 2020

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

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

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

That IT system upgradations is in process and as represented to us under mentioned limitations shall be duly addressed in the upgraded system,

- a. master data reconfiguration
- b. reconciliation of legacy transactions
- c. inoperative & redundant ledger accounts, profit centers/departments,
- d. integration issues including correcting the mapping of tax codes as well as subledger accounts &
- e. User controls & adequate staff training

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

Reply: Not Applicable

3. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

Reply: With regards to the government grant received in previous years, the same has been accounted for in terms of the applicable Ind AS. No new grant has been received during the year.

For Serva Associates

Chartered Accountants

Firm Registration Number: 000272N



C.A. Nitin Jain
(Partner)

Membership Number: 506898

UDIN: 20506898AAAADL2014

Place: Delhi

Date: July 10, 2020



इंडियन रेलवे कैंटरिंग एण्ड टूरिज्म कॉरपोरेशन लिमिटेड
(भारत सरकार का उद्यम—मिनी रत्न)
INDIAN RAILWAY CATERING AND TOURISM CORPORATION LTD.
(A Govt. of India Enterprise-Mini Ratna)

"CIN-L74899DL1999GOI101707" E-mail : info@irctc.com Website : www.irctc.com

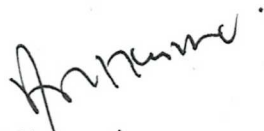
DECLARATION

Declaration Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is hereby declared that the Statutory Auditors, M/s Serva Associates, Chartered Accountants, have issued the Audit Report(s) with unmodified opinion on the Standalone Audited Financial Statement of the Company for the year ended on 31.03.2020.

This declaration is issued pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

For Indian Railway Catering and Tourism Corporation Limited,


(Ajit Kumar)
Director (Finance)

Date:- 10-07-2020

Place:- New Delhi