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**REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF INDIAN RAILWAY
CATERING AND TOURISM CORPORATION LIMITED FOR THE YEAR 2012-13**

Background

Indian Railway Catering and Tourism Corporation Limited (IRCTC), was incorporated on 27th September 1999 under the Companies Act, 1956 as an extended arm of the Indian Railways to upgrade, professionalize and manage the catering and hospitality services at stations, on trains and other locations and to promote domestic and international tourism through development of budget hotels, special tour packages, information & commercial publicity and global reservation systems. The company obtained Certificate of Commencement of Business on 2nd December 1999. The authorised share capital of the company is Rs. 50 crores and paid up share capital is Rs. 20 crores, fully subscribed by Ministry of Railways, Government of India. The full-fledged functioning of the Corporation started on 1st August 2001, after setting up of the functional board.

Financial Performance Highlights

During the year 2012-13, the Corporation achieved a total income of Rs. 719.69 Crore, as compared to Rs. 554.11 Crore in 2011-12. The increase in income was achieved mainly due to quantum jump in Tourism segment revenue from Rs. 98.95 crore in FY 2011-12 to Rs. 188.71 crore in FY 2012-13.

Profit before tax of Rs. 92.41 crore was achieved during the year 2012-13 as compared to Rs. 54 Crore in the previous year 2011-12.

The last five years financial highlights are as below:

(Rs. in Crores)

S. NO.	PARTICULARS	2008-09	2009-10	2010-11	2011-12	2012-13
1	Total Income	618.77	721.97	764.93	554.11	719.69
2	Total Expenditure	536.68	614.63	620.69	462.83	611.24
3	Gross Margin	82.09	107.34	144.24	91.28	108.45
4	Profit Before Taxes	73.85	94.76	129.79	76.54	92.41
5	Provision for Taxes	27.35	31.71	69.00	28.00	33.57
6	Net Profit	46.50	63.05	60.79	48.54	58.84
7	Ratios					
(i)	Gross Margin/Total Income	13.27%	14.87%	18.86%	16.47%	15.06%
(ii)	Total expenditure/total income	86.73%	85.13%	81.14%	83.53%	84.93%

Total Revenue in Departmental catering was Rs. 241.15 crore in FY 2012-13 as compared to Rs. 197.64 crore in FY 2011-12. The Non Railway Catering (NRC) units contributed Rs. 4 crore to the total revenue of Departmental catering business in FY 2012-13 as compared to Rs. 10.79 crore in 2011-12. The increase in NRC revenue is mainly due to opening of new Units, operation of Food Factory, Noida etc. Licensee catering business generated an income of Rs. 21.44 crore in the year 2012-13 as compared to Rs. 30.38 crore in the year

11-12. The shortfall of Rs. 8.94 crore is mainly due to handing over Licence Catering segment to Railways.

During the year, 12 numbers of Food Plazas/Fast Food Units were commissioned, taking the total number of operational units to 107. Besides Railway Catering, IRCTC has also made a name for itself in various institutions and ministry by providing cafeteria facilities at their places on a reasonable & rational price structures. Under non railway segment, 44 units were opened during the year at various places taking the total number of such units to 83.

The Central Kitchen of IRCTC has capacity to produce 10,000 meals per day. The unit is supplying food to corporate sectors in Noida/Greater Noida/Gurgaon in NCR area. Central Kitchen Noida is also supplying over 6000 snacks per day to all Rajdhani & Duronto departmental trains leaving NDLS/HNZM and 2000 meals to the ADI Rajdhani & Sealdah Duronto.

In addition to above, the capacity enhancement from 10,000 meals a day to 25000 meals a day will be taken up to meet the large corporate sector demand in case the demand increase beyond current capacity.

Number of tickets booked through IRCTC website has gone up to 14.06 crore tickets in FY 2012-13 as against 11.61 crore tickets booked in previous year. There is a 21% increase in tickets sold as compared to previous year.

IRCTC moving a step ahead in mobile booking, the Hon'ble Minister of Railways launched booking of ticket through SMS on 28th June, 2013. This service does not require any internet facility. Any person using mobile can now book his ticket through mobile phone by using this user-friendly service.

Travel & Tourism Business generated an income Rs. 188.71 crore in the year 2012-13 as compared to Rs. 98.95 crore in the year 2011-12 recording a growth of 90.71%. In addition to above, on the request of Odisha Tourism Development Corporation (OTDC), IRCTC has operated one Odisha Circuit Buddhist Train which covered places like Lalitgiri, Ratnagiri, Jagir, Dhauri Hill, Bhubaneshwar etc.

A total of 639 passengers availed the services of Maharajas' Express in 25 trips. With this product, IRCTC has made its presence felt internationally in the luxury train segment of tourism.

IRCTC has provided all inclusive pilgrimage packages to the elderly people residing in Madhya Pradesh and Chhattisgarh state under the 'State Teerth Yatra Yojna' scheme promoted by respective state governments and 97 tours have been operated under this scheme which benefitted 96123 passengers.

IRCTC is venturing into retail format business by opening Food Kiosk at DMRC stations across New Delhi/NCR regions.

In packaged drinking water segment, to meet the large unsatisfied demand of packaged drinking water on Indian Railways, new plant is being set up at Ambarnath and is likely to be commissioned by Dec-2013. Tenders are being called to set up another company owned plant at Bilaspur (Chhattisgarh). Tenders have been initiated for setting up four plants on PPP model at Amethi, Ambala, Lalitpur and Parassala (Trivendrum).

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The total revenue of Railneer was Rs. 56.33 crore in FY 2012-13 as compared to Rs. 45.15 crore in FY 2011-12. This does not include sale of Rail Neer through departmental catering, amounting to Rs. 15.49 crore as against Rs. 13.05 crore in the previous year 2011-12.

The performance of Corporation in terms of MOU signed with Ministry of Railways, Government of India for FY 2011-12 has been rated as 'Excellent'.

Awards / Recognition

In recognition of the excellent performance of the Corporation in various fields, the following awards have been conferred on IRCTC during 2012-13:

- CSR Corporate Governance Award by the Institute of Public Enterprise- November 2012.
- Global Green Award by the Earth Infrastructure for Introducing Paperless SMS E-Ticket- December 2012.
- World Travel Award for the Maharajas' Express as the World's Leading Luxury Train- December 2012.
- India Pride Award in the Consumer Industry Category by the Bhaskar Group- January 2013.
- E-Retail award in the Leisure and Travel category by Franchise India- February 2013.
- Best PSU Award by the Dalal Street Investment Journal- March 2013.