



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

"CIN-L74899DL1999GO1101707", E-mail : info@irctc.com, Website: www.irctc.com

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

June 29, 2021

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

Sir/Madam,

The Board of Directors of the Company at its meeting held on Tuesday, June 29, 2021, has inter-alia:

1. Approved the Audited Financial Results for the quarter and year ended March 31, 2021 (after being reviewed and recommended by the Audit Committee); and;
2. Recommended a Final Dividend of Rs. 5/- per equity share of face value of Rs. 10/- each for the financial year 2020-21 (@ 50% of the paid-up share capital of Rs. 160 cr.), subject to the approval of shareholders in the forthcoming Annual General Meeting.

In view of the above, please find enclosed herewith the following:

1. Copy of the Audited Financial Results of the Company for the quarter and year ended March 31, 2021;
2. Auditors Report on financial results as referred above;
3. 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](http://www.irctc.com).

The Board meeting commenced at 1230 hours and concluded at 0305 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 AUDITED FINANCIAL RESULTS						
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021						
S.No.	PARTICULARS	Amount in ₹ Lakhs				
		Quarter ended		Year ended		
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
I.	Revenue from operations	33,878.67	22,437.37	57,571.92	78,305.03	2,26,431.37
II	Other Income	1,946.45	2,086.06	1,998.84	8,563.65	7,809.73
III	<b>Total Revenue (I+II)</b>	<b>35,825.12</b>	<b>24,523.43</b>	<b>59,570.76</b>	<b>86,868.68</b>	<b>2,34,241.10</b>
	<b>Expenses</b>					
	Cost of Materials Consumed	1,260.95	807.21	2,327.31	3,156.09	10,992.97
	Purchase of Stock-in-Trade	642.52	711.30	270.22	1,392.01	2,877.33
	Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	6.01	31.75	(61.36)	241.66	(69.58)
	Expenses of Catering Services	1,641.45	1,689.12	14,568.25	10,895.56	67,285.18
	Expenses of Tourism	5,003.08	1,329.78	7,675.25	6,897.90	28,688.82
	Manufacturing & Direct Expenses	1,891.19	1,986.99	2,799.60	6,271.41	9,714.28
	Employee benefit expense	5,532.90	5,080.80	6,860.46	20,661.36	24,411.47
	Finance costs	373.76	139.80	535.37	814.98	975.60
	Depreciation and amortization expense	1,873.39	961.73	1,066.50	4,628.42	4,021.07
	Impairment Loss	122.97	-	-	122.97	-
	Other Expenses	3,269.12	1,335.68	4,248.79	9,637.22	12,497.05
IV	<b>Total Expenses (IV)</b>	<b>21,617.34</b>	<b>14,074.16</b>	<b>40,290.39</b>	<b>64,719.58</b>	<b>1,61,394.19</b>
V	<b>Profit before exceptional items and tax (III - IV)</b>	<b>14,207.78</b>	<b>10,449.27</b>	<b>19,280.37</b>	<b>22,149.10</b>	<b>72,846.91</b>
VI	Exceptional Items (see Note 4d)	(287.75)	(10.34)	41.00	3,939.81	111.40
VII	<b>Profit before tax (V + VI)</b>	<b>13,920.03</b>	<b>10,438.93</b>	<b>19,321.37</b>	<b>26,088.91</b>	<b>72,958.31</b>
	Tax expense:					
	-Current Year	3,705.78	2,653.27	5,878.22	7,452.78	19,942.52
	- Earlier Years	186.44	-	82.20	270.72	82.20
	-Deferred tax	(350.70)	(22.91)	(153.45)	(624.70)	1,622.84
VIII	<b>Profit After Tax from continuing operations</b>	<b>10,378.51</b>	<b>7,808.57</b>	<b>13,514.40</b>	<b>18,990.11</b>	<b>51,310.75</b>
	Other Comprehensive Income					
	(i) Items that will not be reclassified to Profit or Loss					
	- Remeasurement of post-employment benefit obligation	388.33	(73.69)	(91.18)	431.50	(489.98)
	- Income Tax Effect	-97.74	18.55	22.95	(108.61)	123.33
IX	<b>Total Other Comprehensive Income for the period (Net of Tax)</b>	<b>290.59</b>	<b>(55.14)</b>	<b>(68.23)</b>	<b>322.89</b>	<b>(366.65)</b>
X	<b>Total Comprehensive income for the period</b>	<b>10,669.10</b>	<b>7,753.43</b>	<b>13,446.17</b>	<b>19,313.00</b>	<b>50,944.10</b>
	Paid-up Equity Share Capital (Face value of ₹10/- each)	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00
	Other Equity				1,30,695.18	1,15,382.17
	<b>Earning per share (EPS)*</b>					
	Basic (₹)	6.49	4.88	8.45	11.87	32.07
	Diluted(₹)	6.49	4.88	8.45	11.87	32.07

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

**Notes:**

- The above results have been reviewed by Audit Committee and approved by the Board of Directors in its meeting held on 29th June, 2021. The Statutory Auditors have conducted audit of Financial Statements.
- 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.
- 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 polished year to date figures upto the 3rd quarter of the current Financial Year.
- The Company has considered the possible effects that may result from COVID-19 in preparation of financial results including carrying amount of assets and liabilities. The reduction in operating turnover is mainly due to COVID-19 pandemic. However the Company does not expect any material impact on the carrying amount of assets and liabilities. The Company will continue to closely monitor any material changes in future economic conditions due to COVID-19.
- In respect of Tejas and Kashi-Mahakal Express Trains, IRCTC has requested Railway Board to reconsider waiving off the fixed charges (fixed haulage and Custody charges) amounting to ₹ 2793 Lakhs for non-operational period of the three trains considering it as a force majeure situation, as the lockdowns and restrictions imposed by Government of India due to COVID-19 pandemic were beyond control of IRCTC. However, IRCTC has made full provision for the fixed charges for both the Tejas trains and Kashi Mahakal express trains in the Financial Year 2020-21.
- Catering contracts awarded before 22nd March, 2020 has been treated as zero period due to Pandemic and accordingly, no income as well as railway share has accrued during the year 2020-21. Pursuant to direction of Railway Board dated 23.02.2021 Standard Bid Document agreements for providing catering services were terminated due to change in scope of work. However, two associations got annulled the Railway Board order dated 23.02.2021 from Madras High Court. The order of Madras High Court is being examined.
- The company does not foresee any adverse impact on the supply chains as and when the business is resumed wherever the operations were curtailed or have remain suspended on account of present pandemic.
- Exceptional items amounting ₹ 3939.81 Lakhs includes (i) ₹ 2576.18 lakhs being excess provisions for previous years relating to Performance Related Pay (PRP), (ii) ₹ 1005.27 lakhs being claim made on Railways for payment of Passenger Feedback undertaken w.e.f. July, 2015 wherein Railways agreed for claim and (iii) ₹ 358.36 Lakhs (previous year ₹ 111.40 Lakhs) being excess provisions written back for previous years relating to various other expenses.
- In the month of December, 2020, Government of India (GOI) has further disinvested 3,20,05,566 no. Of shares of the Company through offer for sale (OFS) and the proceeds have been realized by GOI.
- In respect of PPP plants of Railneer, the management has decided that compensation in lieu of the commitment of minimum assured level of sales shall not be payable to the operators. But certain DCOs have not accepted the decision of the Company and the financial implication calculated net of License Fee waived off works out to ₹ 221.52 lakh which has not been provided in the books of accounts.
- The Board of Directors of the Company have recommended a final dividend of Rs. 5.00 (Rupees Five) per equity share of face value of Rs. 10/- each for the Financial Year 2020-21 subject to approval of shareholders in the forthcoming Annual General Meeting.
- The figures for the previous periods have been regrouped/reclassified, wherever necessary.

For & on behalf of the Board of Directors

  
Rajni Hasija  
Chairperson & Managing Director  
DIN:-08083674

Place : New Delhi  
Dated : 29th June, 2021





<b>Indian Railway Catering &amp; Tourism Corporation Limited</b>					
CIN : L74899DL1999GOI101707					
REGISTERED & CORP.OFFICE: 11th FLOOR, B-148 STATESMAN HOUSE BARAKHAMBA ROAD, NEW DELHI-110001					
SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES					
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021					
PARTICULARS	Amount in ₹ Lakhs				
	Quarter ended			Year ended	
	31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
<b>1 SEGMENT REVENUE</b>					
a) Catering	6,738.95	4,895.64	22,536.58	22,340.88	1,03,322.52
b) Rail neer	2,780.60	1,693.61	5,100.01	5,723.76	22,195.92
c) Internet Ticketing	21,201.01	14,302.08	19,360.19	44,855.55	61,980.45
d) Tourism	3,158.11	1,546.04	10,201.89	5,384.84	29,523.53
e)State Teertha	-	-	373.26	-	9,408.95
<b>TOTAL (Revenue from Operations)</b>	<b>33878.67</b>	<b>22,437.37</b>	<b>57,571.93</b>	<b>78305.03</b>	<b>2,26,431.37</b>
<b>2 SEGMENTS RESULTS</b>					
Profit/Loss (before tax, interest and investments income from each segment)					
a) Catering	(721.15)	(794.13)	1,674.85	(8,429.88)	10,733.38
b) Rail neer	(58.08)	(204.33)	1,492.70	(535.68)	5,140.32
c) Internet Ticketing	17,366.02	10,905.66	15,247.07	35,322.27	49,267.69
d) Tourism	(4,224.76)	(1,144.63)	(12.64)	(7,038.39)	1,057.53
e)State Teertha	-	-	(40.99)	-	1,437.78
<b>TOTAL</b>	<b>12,362.03</b>	<b>8,762.57</b>	<b>18,360.99</b>	<b>19,318.32</b>	<b>67,636.70</b>
Add: Interest Income	1,558.00	1676.36	960.38	6,770.60	5,321.60
<b>PROFIT BEFORE TAX</b>	<b>13,920.03</b>	<b>10,438.93</b>	<b>19,321.37</b>	<b>26,088.92</b>	<b>72,958.30</b>

**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.
- For the year ended ended 31st March, 2021, segment results includes income under exceptional items of ₹ 3939.81 Lakhs which is allocated to various segment results as under:-

Segment	₹ In Lakhs
Catering	840.50
Railneer	213.22
Internet Ticketing	2,656.56
Tourism	229.54



For & on behalf of the Board of Directors

**Rajni Hasija**  
Chairperson & Managing Director  
DIN:-08083674

Place : New Delhi  
Dated : 29th June, 2021

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 31.03.2021 (AUDITED)	AS AT 31.03.2020 (AUDITED)
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipments	19,707.28	15,585.09
Capital Work in Progress	2,430.31	1,620.79
Investment Property	2,733.56	2,738.82
Intangible Assets	669.25	434.07
Right-of-use Assets	7,885.53	9,710.75
<b>FINANCIAL ASSETS</b>		
Investments	0.32	0.32
Loans	19.22	18.14
Other Financial Assets	8.06	8.06
Deferred Tax Assets (Net)	7,188.57	6,672.47
Other non-current Assets	3,468.37	2,625.80
<b>CURRENT ASSETS</b>		
Inventories	654.04	976.30
<b>FINANCIAL ASSETS</b>		
Investments	-	-
Trade Receivables	54,004.83	77,792.64
Cash and Cash Equivalents	34,502.41	59,739.41
Bank Balances other than Cash and Cash Equivalents	1,11,547.15	69,903.38
Loans	1,124.97	1,188.91
Other Financial Assets	10,300.54	14,798.83
Current Tax Assets (Net)	3,617.70	4,286.73
Other Current Assets	56,742.17	56,048.94
<b>Total Assets</b>	<b>3,16,604.28</b>	<b>3,24,149.45</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	16,000.00	16,000.00
Other Equity	1,30,695.18	1,15,382.17
<b>LIABILITIES</b>		
<b>NON CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
Other Financial Liabilities	8,011.61	8,071.48
Provisions	7,256.54	7,229.00
Other Non-Current Liabilities	863.16	776.81
<b>CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
Trade Payables	18,030.96	17,046.68
Other Financial Liabilities	69,220.21	77,918.04
Provisions	1,085.10	1,133.78
Other Current Liabilities	64,979.91	80,486.91
Current Tax Liabilities (Net)	461.61	104.58
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,16,604.28</b>	<b>3,24,149.45</b>



Place : New Delhi  
Dated : 29th June, 2021

For & on behalf of the Board of Directors

*Rajni Hasija*

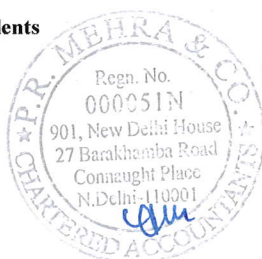
Rajni Hasija  
Chairperson & Managing Director  
DIN:-08083674



**Indian Railway Catering & Tourism Corporation Limited**  
**Statement of Cash Flow for the year ended 31st March, 2021**

Amount (₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	26,088.92	72,958.31
<b>Adjustments for :-</b>		
Depreciation	4,628.42	4,021.07
Impairment Loss	122.97	-
Loss on sale of Fixed Assets	3.10	233.51
Interest Income	(6,509.67)	(4,931.86)
Dividend Income from Mutual fund	(260.93)	(389.74)
Interest Expenses on Lease Liabilities	626.14	534.31
Rental Income from Investment Property	(234.98)	(76.13)
Amortization of Capital Grant	(44.16)	(111.42)
Income from amortisation of deferred security deposits-Liability	(198.96)	(267.33)
Interest Income on Unwinding of Discounts on security deposits	(6.11)	(19.47)
Unwinding of discount on security deposits liability	188.84	199.73
Unwinding of discount on security deposits assets	5.20	17.00
<b>Operating Profit before operating capital changes</b>	<b>24,408.78</b>	<b>72,167.98</b>
<b>Adjustments for :-</b>		
Decrease / (Increase) in Inventories	322.26	(187.43)
Decrease/ (Increase) in Trade & Other Receivables	23,787.81	(19,089.28)
Decrease/ (Increase) in Other Non Current Financial assets	-	-
Decrease/ (Increase) in Other Current Financial assets	6,147.90	(12,602.03)
Decrease/ (Increase) in Other Current assets	(693.23)	(8,459.00)
Decrease/ (Increase) in Other Non Current assets	(22.78)	94.40
Decrease/ (Increase) in Financial Assets Loans	68.96	(113.26)
(Decrease) / Increase in other Non current financial liability	(635.81)	716.35
(Decrease) / Increase in Non Current Provisions	459.03	(217.94)
(Decrease) / Increase in Other Non current liabilities	329.46	574.55
(Decrease) / Increase in trade payables	979.41	(2,281.60)
(Decrease) / Increase in Other financial liability	(8,172.19)	15,446.49
(Decrease) / Increase in Other Current Liability	(15,507.00)	18,814.85
(Decrease) / Increase in Current provisions	(48.68)	1,735.80
<b>Cash generated from operation</b>	<b>7,015.14</b>	<b>(5,568.10)</b>
Income Tax Paid (Net of refunds)	31,423.92	66,599.88
<b>Total Cash generated from Operating Activities</b>	<b>24,726.98</b>	<b>40,907.24</b>
<b>B. Cash Flow From Investing Activities</b>		
Sale/Disposal of Property, Plant and Equipment's & Other intangible assets	9.41	47.90
Purchase of Property, Plant and Equipment's & Other intangible assets	(7,734.12)	(3,530.25)
Interest Received	4,860.06	6,217.60
Dividend received	260.93	389.74
Investment in Mutual Funds	-	-
Changes in Other Bank balances	(41,643.77)	(1,906.78)
Rental Income from Investment Property	234.98	76.13
Capital Advances given during the Year	(1,275.00)	(450.00)
<b>Net Cash used in Investing Activities</b>	<b>(45,287.51)</b>	<b>844.34</b>
<b>C. Cash Flow From Financing Activities</b>		
Payment of principal portion of Lease Liability	(676.47)	(1,211.00)
Payment of interest portion of Lease Liability	-	-
Dividend Paid (including Tax on Dividend)	(4,000.00)	(26,808.12)
<b>Net Cash generated from Financing Activities</b>	<b>(4,676.47)</b>	<b>(28,019.12)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(25,237.00)</b>	<b>13,732.46</b>
Opening Cash & Cash Equivalents	<b>59,739.41</b>	<b>46,006.95</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>34,502.41</b>	<b>59,739.41</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>		



Cash and Cash Equivalent Comprises of		
Cash on hand	9.82	8.31
Cheques/drafts on hand	-	-
Balances with banks:		
- In Current Account	34,075.95	58,139.07
- In Flexi Account	416.64	1,592.03
- In Fixed Deposits with original maturity of less than three months		
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>34,502.41</b>	<b>59,739.41</b>

**Notes:-**

- The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- The company adopted the amendment to Ind-AS 7 effective from April 1, 2017, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

**Reconciliation of Liabilities arising from financing activities**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Opening Balance</b>	7,923.44	8,443.27
<b>Cash flows:-</b>		
-Repayment	676.47	1,211.00
-Proceeds		
<b>Non-Cash:-</b>		
- Fair Value	626.14	534.31
-Net Additions to right of use assets in exchange for increased lease liabilities and other adjustments	-88.22	156.86
<b>Closing Balance</b>	<b>7,784.89</b>	<b>7,923.44</b>

Place : New Delhi  
Dated : 29th June, 2021



For & on behalf of the Board of Directors

**Rajni Hasija**  
Chairperson & Managing Director  
DIN:-08083674





INDEPENDENT AUDITORS' REPORT

To the Members of

Indian Railway Catering and Tourism Corporation Limited

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of Indian Railway Catering and Tourism Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

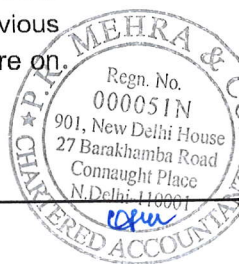
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended, ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis of Opinion**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Emphasis of Matter**

1. We draw attention to Note No. 56 regarding non-sharing of convenience charges (earlier known as service charges) amounting to Rs.299.13Crore during the financial year ended March 31, 2021 (upto March 31, 2021 Rs.648.77Crores) earned by the Company on online ticket booking since the management represented that unlike the previous arrangement with the Railways, there is no such obligation upon the company to any convenience charges earned with the Railways on which we have relied upon.
2. Railways share of 15% on the revenue earned from supply of food from base kitchens, which are in the nature of departmentally managed units operated by the Company of Rs.2.96 Crore for the previous financial year was not charged to revenue. Further, pending clarification from the Railways, share on.



trains operated under partial unbundling model in previous financial years amounting to Rs.18.49Crore was also not charged to revenue.

3. We draw attention to Note No.79 regarding increase in license fee by 15.5% without doing assessment of sales for the period November 18, 2019 to March 22, 2020 and the matter is sub-judice. Since there is uncertainty in realisation, revenue amounting to Rs.14.45Crore has not been recognised during the year ended March 31,2021.
4. We draw attention to Note No. 77 regarding certain applications made by the Company for advance ruling relating to applicability of Goods and Services Tax in respect of certain income / receipts amounting to Rs.335.95Crore for which the decision of the Authority for Advance Ruling is awaited.
5. The input tax credit receivable of Rs.17.35Crore appearing as an asset in the books of account of the Company as on March 31, 2021 is yet to be reconciled on the GST portal. Refer Note No.70.
6. 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 company has provided the VAT liability of Rs.82.51Crore (net of corresponding VAT Input and service tax paid) since the Company contends that only one of these taxes can be made applicable. VAT Input amounting to Rs.11.19 Crores have been stated as balance due from statutory authorities under Current Asset. (Refer to Note 37.4).
7. Reconciliation between the transactions executed through 3<sup>rd</sup> 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 3<sup>rd</sup> party application / portals need to be fully automated & documented for verification.
8. Transaction by transaction reconciliation could not be made for certain 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).
9. We draw attention to Note No. 37.5 regarding waiver of shortfall compensation payable to DCOs not accepted by certain parties amounting to Rs.2.21Crore.
10. Provision has been made for fixed charges (custody and fixed haulage) for the year ended March 31, 2021 payable to Railways for 3 trains being operated by the Company and the company has made representation to the Railways for waiver of these charges for non-operational period amounting to Rs.27.93Crore for which the response of Railways is awaited. Refer Note No.76.
11. There are large number of legacy debit & credit balances including those pertaining to the period of transfer of operations from / to the Railways which are pending for confirmation & reconciliation.

#### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the financial year ended March 31, 2021. 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.





Due to pandemic (COVID-19) since March 2020, the entire operations of the Company for the year ended March 31, 2021, which are mainly dependent on train operations, got affected significantly resulting in sharp decline of 65% in revenue from operations (from Rs.2,264.31Crore in FY 2019-20 to Rs.783.05 Crore in FY 2020-21) and reduction in profitability (from Rs.509.44Crore in FY 2019-20 to Rs.193.13Crore in FY 2020-21). COVID-19, in our opinion, most likely will also impact revenue and profitability for the financial year 2021-22 even though it is premature for the management and auditors to forecast impact with credibility at this stage. However, the management expects its operations to reach optimum levels once the situation improves / normalises post lifting of local lockdowns declared by various State Governments. In view of sufficient liquidity, profitability and improvement expected in operations during 2021-22 and onwards, the management expects to continue its operations without any material uncertainty on which we have relied upon. (Refer to Note No. 80)

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. Such other information is pending as on the date of our audit report.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Responsibility 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.

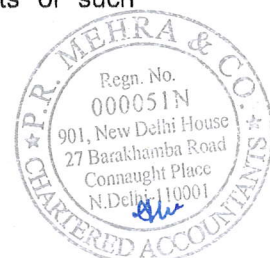
As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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 Act, 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.





## Report on Other Legal and Regulatory Requirements

1. 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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for non-receipt of balance confirmation letters for amounts due from / to the Railways, certain other debtors, creditors and balances / deposits held with the banks.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, the Cash Flow Statement and Statement of Changes in equity dealt with by this report are in agreement with the books of account.

(d) In our opinion, except for the following matter, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act:

Integration charges (Non-Refundable one-time) received from booking agents for providing connectivity with the Company's Portal for railway ticket online booking are recognized as revenue over the initial contract period of one to three years since the company contends that the renewal is unilateral at the option of the Company. In our opinion, since these contracts for integration and annual maintenance charges are generally being renewed by the Company, these can't be treated as distinct contracts and accordingly, income from integration charges should be recognized over the expected contract period (estimated 20 years) as per the requirements of Indian Accounting Standard 115 ("Ind AS") on "Revenue from Contracts with Customers". This accounting treatment has resulted into understatement of revenue by Rs.0.95Crores for the year ended March 31, 2021 (previous year overstatement by Rs.6.33Crore) and other equity comprising of retained earnings as at March 31, 2021 overstated by Rs.36.79Crore (Rs.37.74Crore as at March 31, 2020) as per data furnished by the management. Refer Note No.2(p)(vi).

(e) In terms of Notification No. 463 (E) dated 5th June, 2015 issued by the Ministry of Corporate affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a Government Company.

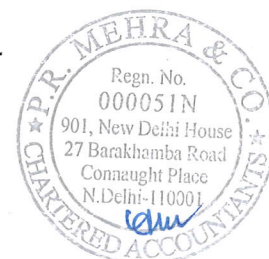
(f) With respect to the adequacy of internal financial controls over financial reporting with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2.

(g) As required by sub section (5) of section 143 of the Act, we enclose herewith "Annexure 3", a Statement on the Directions issued by the Comptroller and Auditor General of India.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No.37.2 to 37.5 of the Standalone Financial statements.

ii. The Company has not entered into any long-term contracts including derivative contracts.



iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P.R. Mehra & Co  
Chartered Accountants  
(Firm's Registration No. 000051N)

*Ashok Malhotra*

Ashok Malhotra  
(Partner)  
Membership No: 013910  
Place: New Delhi  
Dated: June 29, 2021



UDIN: 210826484AAAAAF8757



**“Annexure 1” referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Standalone Financial Statements of Indian Railway Catering and Tourism Corporation Limited for the year ended March 31, 2021**

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant & equipment) except for number-wise identification of these assets.  
b. The Company has physically verified its fixed assets (property, plant & equipment) at the year-end which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets (property, plant & equipment). However, the proper documentary evidence for physical verification of assets at PPP Railneer plants as well as instructions for physical verification needs to be elaborated and followed uniformly. We note that a large number of items of fixed assets (plant & equipment), which are not available / damaged / condemned /not working/not serviceable as per remarks given in physical verification sheets, continues to appear in fixed assets (property, plant & equipment) as on March 31, 2021 which have not been dealt with in the books of account by way of deletion / write-off.  
c. The title deeds of immovable properties are held in the name of the company. However, original title deed of property amounting to Rs.0.16Crore was not produced to us for verification.
2. The physical verification of inventory has been conducted at reasonable intervals by the company and no material discrepancies were reported on physical verification of the inventory.
3. The Company has not granted 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, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not given any: (i) loans, guarantee or provided security in connection with any loan taken by directors and parties covered under section 185 and (ii) loans, guarantee or provided security, made investment under section 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
5. The Company has not accepted any deposits from the public as envisaged and accordingly, para (v) is not applicable to the company.
6. According to the information and explanations given to us, in our opinion the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
7. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company was regular in depositing undisputed statutory dues including provident fund, and other material statutory dues applicable to it to the appropriate authorities. However, there were many delays in deposit of Tax Deducted at Source (TDS), Goods and Service Tax (GST), TDS & TCS on GST during the year.  
b. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods & Service Tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.  
c. According to the information and explanations given to us, the statutory dues which have not been deposited with the appropriate authorities on account of any dispute are as under:



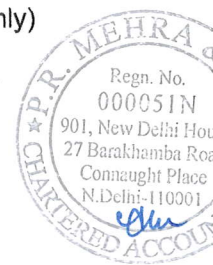
Name of the statute	Name of the Dues	Period to which amount pertains	Forum where dispute is pending	Remarks	Amounts in Lakhs
ENTRY TAX	Assessment, Interest & Penalty	2011-12 to 2012-13	High Court	Hearing in Process	0.90
Service Tax	Tax on Renting, Agent Business, catering etc	01.04.2007 to 31.03.2012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





VAT Jharkhand	Demand	2010-11 to 2012-13	High Court/ Tribunal/ Appellate Authority	Hearing in Process	40.03
VAT Kerala	Denial of Compounding Rate	2014-15	ACTO	Hearing in Process	47.57
VAT Odisha	Assessment, Interest & Penalty	2011-12 to 2013-14	Commissioner, Tribunal	Hearing in Process	147.56
VAT Odisha	Demand on Mobile Catering Services	2011-12 to 2012-13	Tribunal	Hearing in Process	14.11
VAT Rajasthan	Assessment, Interest & Penalty	2005-06 to 2016-17	ACTO	Hearing in Process	32.55
VAT UP	Assessment, Interest & Penalty	2008-09	Commissioner (UPVAT)	Hearing in Process	17.08
VAT	Demand	2016-17	Remedial actions under process	Hearing in Process	10.98
Delhi CST	Demand	2016-17	VAT - Official Hearing Authority	Hearing in Process	84.61
Delhi VAT Act	Demand	2016-17	VAT - Official Hearing Authority	Hearing in Process	0.46
R VAT	Demand	2015-16		Appeal yet to be filed.	2.26
R VAT	Demand	2017-18		Appeal yet to be filed.	0.85
CGST Act 2021	Demand	2017-18, 2018-19 & 2019-20	Additional director general		41.34
TN VAT Act	Demand	2014-15		Remedial actions under process	5.91
Service tax Act	Demand	2014-15 (2nd Half year & 2015-16		Remedial actions under process	7.15
<b>Total</b>					<b>19,521.46</b>

8. 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 any financial institution, government or debenture holders during the year.
9. 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 a part of its shareholding in the share capital of company, the offer for sale was held in December, 2020. Accordingly, 3,20,05,566 (Three Crore twenty Lakh five thousand five hundred and sixty-six only)



shares were offered to public through offer for sale and money raised Rs.4,473.92 Crore remitted to the Government of India. No term loans were taken by the company during the year.

10. According to the information and explanations given to us by the Company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. As per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, section 197 of the Act is not applicable to the Government Companies. Accordingly, paragraph 3(xi) of the Order is not applicable.
12. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. 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 Financial Statements as required by the applicable Standards on Auditing.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For P.R. Mehra & Co  
Chartered Accountants  
(Firm's Registration No. 000051N)

*Ashok Malhotra*

Ashok Malhotra  
(Partner)  
Membership No: 082648  
Place: New Delhi  
Dated: June 29, 2021



UDIN: 21082648AAAAAF8757



**“Annexure 2” referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Standalone Financial Statements of Indian Railway Catering and Tourism Corporation Limited for the year ended March 31, 2021**

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to Standalone Financial Statements of Indian Railway Catering and Tourism Corporation Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**1. Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 Act.

**2. Auditors’ Responsibility**

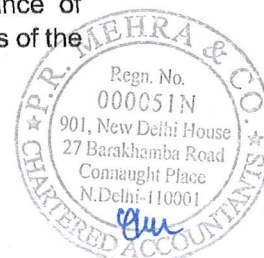
Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these Standalone financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by ICAI. 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 with reference to these Standalone Financial Statements were 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 control with reference to these Standalone Financial Statements and their operating effectiveness. Our audit of internal financial control with reference to the Standalone Financial Statements included obtaining an understanding of internal financial control with reference to these Standalone Financial Statements, 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 judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these Standalone Financial Statements.

**3. Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company’s internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial controls with reference to the Standalone Financial Statements include 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 Standalone 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 Standalone Financial Statements.

**4. Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material mis-statements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**5. According to the information and explanations given to us and based on our audit, we have following observations as at March 31, 2021:**

- (i) In respect of periodical trial balances & closing returns of Zonal / Regional, Railneer plants & other offices, the scrutiny and monitoring thereof by these offices as well as at Corporate Office level is lax and needs to be improved upon.
- (ii) (a) The internal financial control with reference to the debtor's management i.e. obtaining periodical balance confirmation letters and reconciliation thereof including with Railways and Government entities, scrutiny and recovery of overdues is weak and needs to be improved upon to safeguard the interests of the Company and policy & procedure for write-off of old inoperative debit balances needs to be framed & implemented.  
  
(b) Balance confirmation letters & reconciliation of these balances with banks and other parties and system and procedures for identification of MSME parties needs to be improved & properly monitored.
- (iii) In our opinion, suitable measures need to be taken for adapting / implementing system-based controls & checks as against manual controls being followed for overall strengthening of the internal financial control system over financial reporting with reference to the Standalone Financial Statements.
- (iv) Effort has been made to perform procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Standalone Financial Statements and checking their operating effectiveness so as to cover substantially the entire operations of the Company. However, owing to multiple geographical locations & Covid-19 induced movement restrictions, the testing of the risks control measures was restricted to limited samples selected.
- (v) In our opinion, there is a need to substantially adapt the e-tendering system and to reduce number of limited tenders floated during the year for having a wider range of qualified vendors associated with the Company.
- (vi) Stronger MIS should be developed for periodical closure and review of operations and provisions made for expenses at Corporate office and Zonal office level and of various business segments which could reduce the errors and omissions observed during the audit.





**6. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for our observations described above, the company has, in all the material respects, adequate internal financial controls with reference to the Standalone Financial Statements in place and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as of March 31, 2021, based on the internal controls over financial reporting criteria established by the company considering the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by ICAI.

For P. R. MEHRA & CO.  
Chartered Accountants  
(Registration No. 000051N)

*Ashok Malhotra*

Ashok Malhotra  
(Partner)  
Membership No. 082648  
Place: New Delhi,  
Dated: June 29, 2021



UDIN: 21082648AAAAAF8757

**“Annexure 3” referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the Standalone Financial Statements of Indian Railway Catering and Tourism Corporation Limited for the year ended March 31, 2021**

**Statement on Directions:**

<p>1. Whether the Company has system in place to process all the accounting transaction through IT? 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.</p>	<p>Yes, the company has system in place to process a substantial portion of accounting transactions through IT. However, even though the existing ERP system (Oracle) has been upgraded during the current year, the same is yet to be used as an end to end integrated accounting system pending implementation of certain Modules e.g. fixed assets (Property, Plant &amp; Equipment) and ARCS (Accounts Reconciliation Cloud Services). Further, online train ticket booking revenue of Internet Ticketing and MCDO data of tourism departments are compiled and posted manually in the ERP in the absence of ERP Modules for the same. The information and calculations are being prepared in Excel Sheets or through third-party applications and uploaded / posted manually in the Financial Accounting Module. In our opinion and according to the information and explanations given to us and on the basis of examination of records of the company, we have not noted any issue regarding integrity of the accounts.</p>
<p>2. Whether there is 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. Whether such cases are properly accounted for?</p>	<p>There were no cases of restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. during the current financial year.</p>
<p>3. Whether funds (grants / subsidy etc.) received/receivable for specific schemes from central/state Governments or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.</p>	<p>We are informed that no such funds were received / receivable during the year ended March 31, 2021 by the Company. With regards to the government grant received in previous years, the same are being accounted for in terms of the applicable Ind AS.</p>

For P.R. Mehra & Co  
Chartered Accountants  
(Firm's Registration No. 000051N)

*Amalhotra*

Ashok Malhotra  
(Partner)  
Membership No: 082648  
Place: New Delhi  
Dated: June 29, 2021



UDIN: *21082648AAAAAF8754*





इंडियन रेलवे कॅटरिंग 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@iretc.com Website : www.iretc.com

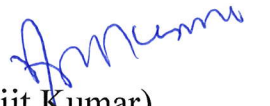
**DECLARATION**

**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 PR Mehra and Associates , have issued the Audit Report(s) with unmodified opinion on the standalone Audited Financial Statement of the Company for the year ended on 31.03.2021.

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: 29.06.2021  
Place: New Delhi