

**REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF INDIAN
RAILWAY CATERING AND TOURISM CORPORATION LIMITED (IRCTC) FOR
THE YEAR 2015-16**

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 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.

Financial Performance Highlights

During the financial year 2015-16, the Company achieved a total income of Rs. 1,505.74 crores, as compared to Rs. 1,141.21 crores in the previous year thereby registering a growth of 31.94 %. Profit before tax was Rs. 308.66 in 2015-16 as compared to Rs. 214.03 crores in 2014-15 and Profit after tax was Rs. 188.63 crores in 2015-16 as compared to Rs. 130.63 crores in 2014-15.

The last five years financial highlights are as below:

(Rs. in Crores)

S. No.	PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16
1	Total Income	554.11	719.69	954.70	1,141.21	1,505.74
2	Total Expenditure	462.83	611.24	810.52	906.76	1,176.42
3	Gross Margin	91.28	108.45	144.18	234.45	329.32
4	Profit Before Taxes	76.54	92.41	127.41	214.03	308.66
5	Profit After Tax	48.54	58.84	72.01	130.63	188.63
6	Dividend	9.71	11.77	14.40	26.13	75.45
7	Net worth	246.70	291.77	346.92	444.25	542.07
8	Number of Employees	1762	1725	1672	1511	1483

Catering & Hospitality:

As on 31.03.2016, IRCTC had **33 mobile units (17 Duronto, 06 Rajdhani, 02 Shatabdi and 08 Mail Express trains), 4 Base Kitchens, 10 Jan Aahars and 2 Refreshment Rooms.** IRCTC also managed on-board catering services in 36 pairs of Mail/Express, 1 Rajdhani and 2 Shatabdi trains.

The Company commissioned 30 **Food Plazas/Fast Food** Units during the year, making the total number of operational units to 198. During the year 2015-16, 21 Food Plazas/Fast Food Units were certified with ISO 22000:2005, taking the total number to 131 out of 190 licensee-operated units as on 31st March, 2016.

An exclusive website www.ecatering.irctc.co.in for the purpose of **E-catering** was launched on 23.01.2015. The services of E-catering are now available for passengers through this website along with telephone calls and SMSs. Also, a mobile application with name "**Food on Track**" has also been developed for facilitation of online ordering passengers while on move. As per Rail Budget Announcement 2016-17, the Company has been advised to extend E-catering to all 409 A-1 & A Category stations.

Executive Lounges at Agra Cantt. and Jaipur have been constructed and commissioned by IRCTC during the year.

In order to provide clean and hygienic bed rolls to the rail passengers, **E-bed rolls** scheme was launched at four major stations on 7th and 10th Feb' 2016 and a total of 877 bed rolls were sold till 31st March 2016.

As per the Railway Budget announcement 2016, IRCTC has been entrusted to take over catering services of Indian Railways in a phased manner.

The total Revenue in Departmental catering was Rs. 255.56 crores in FY 2015-16 as compared to Rs. 296.42 crores in FY 2014-15. The decrease in revenue is mainly due to handover of departmental units to railways and closure of some loss making NRC units. The Total Revenue in Licensee catering was Rs. 76.49 crores in FY 2015-16 as compared to Rs. 69.79 crores in FY 2014-15.

Internet Ticketing:

E-ticketing now accounts for 58.5% of reserved tickets in India booked online, leaving behind several high profile e-commerce sites worldwide. On an average, more than 5.45 lakhs tickets were sold daily through IRCTC's website during the 2015-16. On 1st April 2015, IRCTC achieved highest ticket bookings i.e. 13,45,519 tickets in a day.

Number of E-tickets booked, number of passengers booked E-tickets, E-ticketing Revenue Collection from users and service charge collected on E-tickets excluding service tax during the year as against previous year are as under:

Year	2015-16	2014-15
No. of E-Tickets Booked (in Lakhs)	1992.80	1830.80
No. of Passengers Booked E-tickets (in Lakhs)	3595.82	3288.45
E-ticketing Revenue Collection (Rs. in Crores)	24022.65	20620.99
Service Charge (Rs. in Crores)	551.49	256.34

During the year, various initiatives were taken to increase non business revenue through monetizing the digital resources available with us. Some of the relevant measures are detailed below:

- Launched several products for booking tickets using mobile phones;
- Through co branding, IRCTC tied up with Amazon which has given annual revenue of Rs. 18 Crores;
- Banner advertisement on our website is done through Google which has given an advertisement revenue of Rs. 20 Crores;

- The unreserved ticketing through mobile app UTS which was launched in last has been extended to eight new sections of NR, ER, SCR and SER;
- The tourism portal and the Maharajas' Express websites have been given a new makeover;
- Next Generation E-Ticketing System (NGeT) Capacity has been enhanced from 7200 tickets per minute to 15000 tickets per minute, enquires have increased from 1000 per second to 3000 per second, and concurrent user connections have increased to 3,00,000 from 1,20,000 connections.

The total Revenue in Internet Ticketing is Rs. 632.15 crores in FY 2015-16 as compared to Rs. 308.12 crores in FY 2014-15. There is approx. 105% increase in revenue as compared to previous year. This is mainly due to increase in service charges by Railways and good marketing efforts, upgraded infrastructure and improved customer care.

Travel & Tourism:

During the year 2015- 16, Gatiman type Rail Tour packages, Helicopter packages i.e. Mumbai Darshan with Helicopter, Semi Luxury Trains i.e. Desert Circuit & Heritage Circuit, agreement with OYO hotel for online hotel booking, initiation of Medical Tourism facility, Gandhi Circuit Trains, Kisan Yatra, etc. have been launched on IRCTC's Tourism Portal i.e. www.irctctourism.com.

IRCTC is operating all inclusive Tour packages including Rail, Land and Domestic & International Air packages across India as well as abroad, which includes confirmed Rail travel/ air ticket, road transfers, accommodation, meals and sightseeing.

IRCTC had generated approx. 2,700 air tickets per day in 2015- 16 in comparison to approx. 2,000 air tickets per day in 2014- 15 through its air portal www.air.irctc.co.in.

The Maharajas' Express, one of the wing of this segment, has been awarded as the World's leading Luxury Tourist Train for four consecutive years i.e. 2012, 2013, 2014 & 2015 at the World Travel Awards. This train is operated on 5 different itineraries out of which three itineraries are of 7 Night/ 8 Days whereas two itineraries are of 3 Night/ 4 Days. The itineraries cover places like Ajanta, Udaipur, Jodhpur, Bikaner, Jaipur, Ranthambore, Agra, Balasinor, Gwalior, Orchha, Khajuraho, Varanasi and Lucknow.

During the year 2015- 16, IRCTC made tie ups with:

- OYO hotels for online hotel bookings.
- Hospital chains in Chennai and Secunderabad to provide medical treatment at reasonable price.
- M/s Pawan Hans for Helicopter service at Delhi.
- Ministry of Railways for providing Corporate Travel Services to Ministry as well as PSUs of Railways.
- Punjab State Government for operation of State Special Trains for elderly residents of state.
- MOUs with various State Tourism Development Corporations for developing tourism from & to the States.

During the year 2015- 16, a total of 52,226 passengers availed of IRCTC tour packages i.e. Rail Tour packages, Holiday packages, Customised and Special tour packages.

Travel & Tourism Business of IRCTC has generated an income of Rs. 375.02 Crores in the year 2015-16 as compared to Rs. 362.37 crores in the year 2014-15 recording a growth of 3.49%.

Packaged Drinking Water (Rail Neer):

At present, IRCTC has six operational Rail neer plants located at Delhi, Patna, Palur, Ambernath, Amethi and Parassala, out of which Rail neer Plant at Amethi and Parassala are under PPP mode. Two more plants are also being set up, out of which, company owned plant is proposed at Bilaspur (Chhattisgarh) and plant at Nagpur is proposed under PPP mode. The commissioning of these plants is expected in 2016-17.

The total production of Rail Neer at Nangloi, Danapur, Palur, Ambernath and Amethi plants was 14.40 crores bottles against total production of 11.95 crores bottles in previous year.

During the financial year 2015-16, Rail Neer business registered an income of Rs. 118.48 crores as against Rs. 81.03 crores achieved during year 2014-15. This does not include sale of Rail Neer through departmental catering, amounting to Rs. 15.54 crores as against Rs. 15.11 crores in the previous year. The increase in revenue is mainly attributed to increase in demand of railneer by the licensees and full year operation of Ambernath Plant and operation of new Amethi Plant.

Awards and Achievements

IRCTC endeavors for an all-round growth and the same is reflected in the list of awards & achievements:

1. Indian e-Retail Awards 2015, in the category “Leisure and Travel eRetailer of the Year” – 17.04.2015.
2. News Ink legend PSU Shining Awards 2014 in the category – Legend PSU of the year for Customer Friendly Operations – 27.04.2015.
3. Website of the Year India award (WOTY 2014) for IRCTC’s tourism website – www.irctctourism.com – April 2015.
4. IRCTC Mobile App – IRCTC Connect has been awarded Mobillion 2015 award under the category “Best Use of Mobile App” – 30.04.2015.
5. Brand IRCTC listed as Most Trusted Brand in the category of Railways Service Provider in ‘The Brand Trust Report, India Study 2015’ by Trust Research Advisory (A Comniscient Group Company).
6. Dainik Bhaskar India Pride Awards 2014-15 – Under category Consumer Industry – 04.06.2015.
7. World Travel Awards 2015 for Maharajas’ Express, as the World’s Leading Luxury Train.
8. CNBC-AWAAZ Travel Awards 2015 – Maharajas’ Express adjudged “Best Luxury Train” – 04.06.2015.
9. IRCTC has been placed in the list of ‘100 most influential CFOs of India’ by Chartered Institute of Management Accountants (CIMA), the world's largest professional body of management accountants. – Mumbai 23.07.2015.
10. ‘Director Finance of the Year’ award to Sh. M.P. Mall by Bharat Nirman, a leading NGO dedicated to promotion of Indian culture and traditions, for its prestigious India Excellence Awards for the year 2015 – 01.07.2015.
11. IRCTC was identified as one of Delhi-NCR Hot 50 Brands at The Delhi-NCR Brand Summit 2015 recognizing excellence in the brand marketing- 28.08.2015.

12. Internationally acclaimed Maharajas' Express, owned and operated by IRCTC, has been conferred the coveted 'Seven Star Global Luxury Award' at a function in Bali, Indonesia, further strengthening its brand as the world's leading luxury train - 19.09.2015.
13. EMC award for the IT department- October, 2015.
14. 3rd Governance Now PSU award in Mini Ratna 1 category for ICT initiatives on 17.12.2015, held at The Imperial, New Delhi.
15. Website of the year award (WOTY) for [www. Irctctourism.com](http://www.Irctctourism.com) for the year 2015 on 21.12.2015 by Metrixlab.
16. IRCTC's new Next Generation e-Ticketing System gets Gold in national award for e-governance 2015-16 in the category of "Innovative Use of ICT by Central Government PSUs.
17. India Power Brand 2016 award in the category of "Most Recognizable Brand of Indian Origin" within its industry segment - March, 2016.
