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## Board of Directors

(As on 14th August, 2014)

### Managing Director

Dr. Sameer Sharma

### Functional Directors

Comde (Retd.) Ratan Kumar Okhandiar  
Director (Commercial & Marketing)

Shri Trinath Behera  
Director (Finance)

### Government Nominee Director

Dr. (Ms.) T. Kumar

Shri Girish Shankar

### Independent Director

Shri Anugolu Venkata Ratnam  
Dr. (Ms.) Usha Kiran Rai

### Company Secretary

Shri V.K. Jain

### Registered Office

Scope Complex  
Core 8, 6th Floor  
7 Lodi Road  
New Delhi-110003

### Statutory Auditors

M/s V.K. Verma & Co.  
C-37, Connaught Place  
New Delhi-110001

### Branch Auditors

M/s A. K. Patel & Associates

M/s Vinod Singhal & Co.

M/s Jain & Jain

M/s J.P. Goyal & Co.

M/s Guru & Ram

M/s M N S & Co.

M/s Narendra & Co.

M/s Pachnanda & Associates

M/s Salarpuria Jajodia & Co.

M/s Suru Kotni & Associates

M/s Hingorani M & Co.

### Bankers

Canara Bank

Central Bank of India

Corporation Bank

Indian Bank

Indian Overseas Bank

Bank of India

Punjab National Bank

State Bank of India

State Bank of Hyderabad

State Bank of Patiala

IDBI Bank Ltd.

HDFC Bank

United Bank of India

Syndicate Bank

Axis Bank

## Notice

Notice is hereby given that 49th Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Monday, the 29th September, 2014 at 1600 hours in Ashok Hotel, New Delhi 110021 to transact the following business:-

### Ordinary Business

- (1) To receive, consider, and adopt the Standalone audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended on that date together with the Report of the Auditors, Comptroller and Auditor General of India and the Directors' Report thereon.
- (2) To receive, consider and adopt the Consolidated Audited Balance Sheet as at 31st March, 2014, Profit & Loss Account for the year ended on that date and report of Auditors thereon.
- (3) To declare dividend of 5% ( i.e. ₹ 0.50 per share) aggregating ₹ 4,28,84,700/- on the Equity Share Capital of the Company as recommended by the Board of Directors.
- (4) To appoint a Director in place of Shri Trinath Behera (DIN No. 06554071), Director (Finance) who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers himself for re-appointment.
- (5) To appoint a Director in place of Dr. (Ms.) T. Kumar (DIN No. 06547361), Director who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers herself for re-appointment.
- (6) To authorize the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller & Auditors General of India from time to time.

### Special Business

- (7) To pass the following resolutions as Special Resolution:
  - “RESOLVED THAT Sub-clause (ii) of Clause 75 of Articles of Association be modified and replaced by the following as sub-clause (ii) of Clause 75 :
  - (ii) Formation of Subsidiary Company when the Board is not empowered to approve independently the formation of subsidiary company in accordance with the Guidelines/directions issued by the Department of Public Enterprises from time to time;”

(8) To pass the following resolution as Ordinary Resolution :

“RESOLVED THAT Dr. Sameer Sharma (DIN No. 02749958) who has been appointed as Additional Director by the Board of Directors in their meeting held on 9th May, 2014 and whose period of office is to end on the conclusion of this Annual General Meeting and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received from a member, be and is hereby appointed as Director of the Company.”

(9) To pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196(4), Schedule V and Section 197 of the Companies Act, 2013, approval be and is hereby given to the appointment of Dr. Sameer Sharma (DIN No. 02749958) who fulfils the conditions of Part I of Schedule V to the Companies Act, 2013 as Managing Director for a period of five years from the date of taking over charge of the post or until further orders, whichever is earlier.

FURTHER RESOLVED that the draft terms & conditions (given with the Explanatory Statement) subject to approval by the President of India through Ministry of Tourism as per Article 61 (e) of the Articles of Association of ITDC be and are hereby approved.

FURTHER RESOLVED THAT the terms & conditions as approved by the President of India, as and when received from the Ministry of Tourism, shall be placed before the Board and the Nomination & Remuneration Committee of the Board for information & approval.

FURTHER RESOLVED THAT in case of absence or inadequacy of profit in any financial year on or after 31st March, 2014 during the tenure of Dr. Sameer Sharma as a Managing Director of the Company, the above said remuneration payable to the Managing Director shall be subject to the limits specified in Section II, Part II of Schedule V to the Companies Act, 2013 or such other limits as prescribed by the Central Government from time to time as minimum remuneration.”

(10) To pass the following resolution as Ordinary Resolution:

“RESOLVED THAT the approval be and is hereby accorded to the revised concession/discount to the ex-directors as under:

| Existing   | Proposed   |
|--|--|
| Special fixed tariff for Wedding Functions: Discount for banquet is standardised at 60% on published menu rates. This can be availed for wedding functions and is restricted to three times during the service period of an employee once for self and twice for children i.e. son/daughter. This Facility is available only to the Ex- Functional Directors out of remaining options i.e. out of three options given during life time. Further, this facility is available to only those directors who had worked as employee of ITDC for a minimum period of 20 years. | It is proposed to provide one option only to all ex-directors including part time non-executive directors the discount for banquet at 60% on published menu rates. This can be availed for wedding related functions for self /children. The minimum service of one year as Director or part time Director is required to avail the said facility. Functional Directors are entitled to avail this facility out of remaining options i.e. out of 3 options given during life time. |

By Order of the Board of Directors

Place: New Delhi  
Dated: 03.09.2014

(V.K. Jain)  
Company Secretary

**Notes:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. Additional information in respect of the Directors seeking re-appointment at the AGM is furnished and forms part of the Notice.
3. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. Proxies, in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the Meeting. Proxy form is enclosed. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority as applicable.  
  
Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can be appointed as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total Share Capital carrying voting rights.
4. The Members/Proxies should bring the Attendance Slip, duly filled in and signed, for attending the Meeting.

5. In compliance with provisions of Clause 35(B) of the Listing Agreement and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is offering E-voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting. User ID and Password for electronic voting are being provided by M/s Karvy Computershare Pvt. Ltd., the Registrar & Transfer Agent. The instructions for e-voting are given in the Attendance Slip.

All the Members are requested to read those instructions carefully before casting their e-vote. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically, shall not be allowed to vote again at the Meeting. Members who have not voted electronically can cast their vote at the venue.

6. Members are requested to :-
- Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the Meeting.
  - Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Lounge will be strictly on the basis of the Attendance Slip duly allowed by the RTA Staff at the counter at the venue of the Meeting.
  - Note that the Attendance Slip/Proxy Form should be signed as per the specimen signature registered with the Company/Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/Depository Participant (DP).
  - Note that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  - Quote their folio/Client ID and DP ID Nos. in all correspondence.
  - Note that no gifts/coupons will be distributed at the Annual General Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 26th September, 2014 to Monday, the 29th September, 2014 (both days inclusive) for the purpose of AGM and Dividend payment.
8. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the RTA along with relevant Share Certificate.
9. Unclaimed dividend for the financial year 2006-07 will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) on 29.05.2015 pursuant to the provisions of Section 205A of the Companies Act, 1956 or Section 124 of the Companies Act, 2013.

Members are advised that details of unclaimed dividend in respect of the financial year 2006-07 and up to and including the financial year 2011-12 are available on the Company's website i.e. [www.theashokgroup.com](http://www.theashokgroup.com) under the icon **About us-Investor Corner**.

Members should write to the company if their dividend warrants in respect of the aforesaid financial year(s) have not been cashed.

- SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA/Company.
- Members who are yet to register their e-mail addresses with the Company or with the Depository are once again requested to register the same.
- Electronic copy of the Annual Report for 2013-14, Notice of the 49th AGM along with instructions for e-voting and Attendance Slip are being sent to all the Members whose email IDs are registered with the RTA/Depository Participant(s) for communication purposes. For Members who have not registered their email addresses, physical copies of the Annual Report for 2013-14 and the Notice of AGM are being sent in the permitted mode. Members can also see these documents at the Company's website [www.theashokgroup.com](http://www.theashokgroup.com) under the icon **About us - Investor Corner** and physical copies of these documents are available at the Company's registered office for inspection during normal business hours on working days. Members who require these documents in physical form in addition to e-communication, may write to us.
- Members having any questions on accounts or any other item set out in the Agenda are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect the relevant information and to keep the information ready at the meeting.
- In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of M/s Karvy Computershare Private Limited to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed in this AGM. The Board of Directors of the Company has appointed Mr. Jalaj Srivastava (Membership No. 8498), Partner of M/s Jalaj Srivastava & Associates, practicing Company Secretaries, as the Scrutinizer for this purpose.



## Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

### Item No. 7:

According to Clause 75(ii) of Articles of Association, Board shall reserve for the decision of the President any proposal for formation of subsidiary company. The said provision was there in the Articles of CPSE when the Board of CPSEs, according to the guidelines of the Department of Public Enterprises, were not delegated powers to form the subsidiary companies.

- 2 The Department of Public Enterprises vide its O.M. No. 11/36/97 dated 9.10.1997 as amended by DPE OM No. 18(24)/2003-GM-GL\_65 dated 5th August, 2005 delegated CPSEs having **Miniratna status** the power to form the Joint Venture and Subsidiary Companies **subject to fulfilment of certain conditions mentioned in the OM dated 9.10.1997**. The said OM clarified that the existing decision making powers vested in various agencies would stand altered to give effect to the proposed delegation to the PSEs and the necessary changes in the rules, notifications, instructions, Articles/Memorandum of Association, etc, shall be carried out by the concerned Department where required. It may be submitted that so far ITDC had not altered the provisions of the Articles of Association in accordance with the said OM dated 9.10.1997.
- 3 ITDC had also obtained the approval of the Ministry of Tourism for the proposed alteration of Clause 75(ii) of the Articles of Association.
- 4 In this connection, it is submitted that Section 14 of the Companies Act, 2013 states that subject to the provisions of this Act and the conditions contained in its Memorandum, if any, a company may by special resolution alter its articles.
- 5 It is submitted that the proposed alteration of Clause 75(ii) in the Articles of Association is not inconsistent with the provisions of the Companies Act, 2013 nor it is inconsistent with the conditions of the Memorandum of Association of the Company.
- 6 Board of Directors of ITDC in their meeting held on 2nd August, 2013 have recommended the proposed alteration in the Articles of Association. The Members of ITDC are requested to approve the proposed alteration of Clause 75(ii) of the Articles of Association of ITDC by passing the proposed resolution as special resolution.
- 7 None of the Directors, Key Managerial Personnel or their relatives is interested in the resolution.

### Item No. 8 :

Clause 61 of the Articles of Association of ITDC states that the President of India shall be entitled by a notice in writing addressed to the Company by an order made and executed in the name of the President of India and authenticated as provided by the Constitution of India to appoint the Directors in ITDC including the Part Time Chairman/CMD/VC&MD/MD and whole time directors.

- 2 Pursuant to the powers given under Article 61 of the Articles of Association, Ministry of Tourism, vide its Order No. 6/4/2013-PSU(T) dated 29.4.2014 has informed that the President of India, has appointed Dr. Sameer Sharma, IAS (AP:85) as Managing Director in ITDC in the pay band of ₹ 37,400-67,000/- plus grade pay of ₹ 10,000/- for a period of five years from the date of taking over the charge of the post or until further orders, whichever is earlier.
- 3 In accordance with the definition of the Managing Director, a person to be appointed as a Managing Director should necessarily be a director. As per Clause 61(c) of the Articles of Association of ITDC, Board had power to appoint a person as an additional director of a Company. Accordingly, Board in its meeting held on 9th May, 2014 appointed Dr. Sameer Sharma as an additional director. Since the additional director was to hold office up to the date of the next Annual General Meeting, his appointment would be required to be regularized in this Annual General Meeting under Section 160 of the Companies Act, 2013. ITDC has received a notice from a shareholder proposing to appoint Dr. Sameer Sharma as Director liable to retire by rotation. Hence, this resolution is put up to the shareholders for appointing Dr. Sameer Sharma as Director under Section 160 of the Companies Act, 2013 liable to retire by rotation.
- 4 None of the directors, key managerial personnel and their relatives except Dr. Sameer Sharma himself and his relatives, is interested in the resolution.

### Item No.9:

Clause 61 of the Articles of Association of ITDC states that the President of India shall be entitled by a notice in writing addressed to the Company by an order made and executed in the name of the President of India and authenticated as provided by the Constitution of India to appoint the Directors in ITDC including the Part Time Chairman/CMD/VC&MD/MD and whole time directors.

- 2 Pursuant to the powers given under Article 61 of the Articles of Association, Ministry of Tourism, vide its Order No. 6/4/2013-PSU(T) dated 29.4.2014 has informed that the President of India, has appointed Dr. Sameer Sharma, IAS (AP:85) as Managing Director in ITDC in the pay band of ₹ 37,400-67,000/- plus grade pay of ₹ 10,000/- for a period of five years from the date of taking over the charge of the post or until further orders, whichever is earlier.
- 3 It may be submitted that Dr. Sameer Sharma meets the conditions of Section 164, 196(3) and Part I of Schedule V of the Companies Act, 2013.
- 4 ITDC Board in its meeting held on 9th May, 2014 appointed Dr. Sameer Sharma as Managing Director. Dr. Sameer Sharma took charge of Managing Director w.e.f. 12th May, 2014.
- 5 In accordance with Clause 61(e) of the Articles of Association of ITDC, in ITDC the terms & conditions of the Directors including the remuneration are decided by the President of India, Ministry of Tourism. We have sent to the Ministry of Tourism the draft terms & conditions of the appointment of Dr. Sameer Sharma for approval. Approval is under process. Draft terms & conditions are as under:

- 1.1 Period:** The period of his appointment will be w.e.f. 12.5.2014 on deputation basis, in relaxation of the rule of immediate absorption and will continue till five years or until further orders, whichever event occurs earlier.
- 1.2 Headquarters:** His headquarters will be at Delhi (where the registered office/ headquarters of the CPSE is located). He will be liable to serve in any part of the country at the discretion of CPSE.
- 1.3 Pay:** Dr Sameer Sharma will draw a basic pay of ₹ 67,000/- per month in the scale of ₹ 37,400-67,000 (PB-4) plus Grade Pay of ₹ 10,000/- during the deputation period.
- 1.4 Deputation Allowance:** He will not be entitled to any deputation (duty) allowance.
- 1.5 Dearness Allowance:** He will be eligible to draw DA at Central Government rate.
- 1.6 Annual Increment:** He will be eligible to draw his annual increment as per AIS Rules. The date of next annual increment will be 1st July of the year.
- 1.7 House Rent Allowance:** If the CPSE is not in a position to arrange residential accommodation for him out of his residential quarters or even on lease basis or if he prefers to stay in a house taken by him on rent basis, he can be paid HRA at the rate prescribed by the Central Government.
- 1.8 Residential accommodation and recovery of rent for the accommodation so provided:**
- 1.8.1 Company's own accommodation:** Wherever the CPSE has built residential flats in the industrial township or purchased residential flats in the cities, arrangements would be made by the CPSE to provide a suitable residential accommodation to him.
- 1.8.2 Leased accommodation:** If the CPSE is not able to provide residential accommodation either in township or out of the residential flats purchased by it in the Headquarters, suitable accommodation could be arranged by the CPSE by taking the premises on lease basis at Headquarters of the Company. The Board of Directors may decide the size, type and locality of such accommodations as per DPE's OMs dated 5.6.2003, 26.11.2008 and 2.4.2009. For purposes of CTC, 30% of basic pay may be considered as expenditure on Housing.
- 1.8.3 Self-lease:** If he owns a house at the place of his posting (Headquarters) and is desirous of taking his own house on self-lease basis for his residential purposes, the CPSE can permit him to do so provided he executes a lease deed in favour of the CPSE. The Board of Directors may decide the size, type and locality of such accommodations.
- 1.8.4 Repair/maintenance of leased accommodation:** The responsibility for repair and maintenance of leased accommodation is that of the lesser. Lease rent will be allowed only for 12 months in a year and no additional amount will be provided towards repair/ maintenance of leased accommodation.

- 1.8.5 Existing lease deeds:** The lease agreement signed by the CPSE in respect of the accommodation taken on lease basis for him, if any, prior to 26.11.2008 would not be re-opened during the pendency of the lease period. The lease money, in other words, should not be hiked till the expiry of lease period. This proviso would be applicable even if he had been permitted to take his own house on self-lease basis.
- 1.8.6 Office accommodation:** No office accommodation at the expense of the CPSE would be provided or arranged by the CPSE at his residence.

**1.9 Rent recovery:**

- 1.9.1 CPSE's township/own flats:** Recovery of rent for the accommodation arranged by the Company in its own township or from the pool of flats purchased by it in cities and towns and so allotted to him would be made at the rate of 10% of basic pay from the date of joining i.e. 12.5.2014 or the standard rent fixed by the Company, whichever is lower. Where the CPSE has prescribed flat rates of recovery in respect of accommodation in its townships depending on each type of accommodation i.e. recovery of rent on uniform basis for each type of accommodation, then rent would be paid by him as prescribed by the CPSE.
- 1.9.2 Leased accommodation:** In respect of leased accommodation arranged by the CPSE, rent would be recovered from him @ 10% of basic pay from the date of joining i.e. 12.5.2014 or the actual rent, whichever is lower.

**1.10 Conveyance:** He will be entitled to the facility of staff car for private use as per his entitlement in parent cadre.

**1.11 Leave:** He will remain subject to the Leave Rules of All India Services, as amended from time to time. The CPSE shall pay towards leave contribution according to the rates prescribed by the Central Government from time-to-time. The expenditure in respect of any compensatory allowance for the period of leave in or at the end of Foreign Service deputation to the CPSE shall be borne by the CPSE. The CPSE will also be liable to pay leave amount in respect of disability leave granted to him on account of any disability incurred and through foreign service under the CPSE even if such disability manifests itself after termination of service under the CPSE.

**1.12 Pension:** He will continue to be governed by the provisions of AIS (DCRB) Rules. He will not join the Contributory Provident Fund or any Pension Scheme of CPSE. The CPSE shall pay the pension contribution during his foreign service at the rates prescribed by the Central Government.

**1.13 Provident Fund:** During the period of foreign service, he will continue to subscribe to the All India Service Provident Fund in accordance with the conditions laid down in the All India Service (Provident Fund) Rules, 1955.

**1.14 Medical Concession:** The CPSE shall extend to him medical facilities not inferior to those admissible under the All India Service (Medical Attendance) Rules, 1954.

**1.15 Leave Travel Concession:** He will not be entitled to LTC as admissible to executives of his status under the CPSE Rules. He will continue to be eligible for LTC as admissible to the Central Government servants and the whole expenditure will be met by the CPSE. This, however, is subject to the condition that the executive had not already availed of the concession during the particular block of year(s) before deputation. This concession shall not at any time be inferior to that which he would be entitled to under AIS (LTC) Rules, 1973.

**1.16 Group Insurance Scheme:** The Central Government Employees Group Insurance Scheme, 1980 appended to AIS (Group Insurance) Rules, 1981 shall be applicable to him. An amount deducted from his salary as per prescribed rates of subscription towards the Insurance Scheme shall be remitted to the Government of India.

**1.17 Joining Time and Travelling Allowance:** He will be entitled to travelling allowance and joining time both on joining the post on foreign service and on reversion there from under the Rules of the CPSE but, in any case not lower than those admissible to officers of equivalent status and grades of the Central Government. The expenditure on this account will be borne by the CPSE.

**1.18 Conduct, Discipline and Appeal Rules:** He will be governed by All India Service (Conduct, Discipline and Appeal) Rules.

**1.19 Residuary matters:** For all matters relating to the conditions of service and benefits/facilities and perquisites in the borrowing organization not covered by item (1.1) to (1.18) above, he will be governed by the existing Rules, Regulations and Orders of the borrowing organization as per DoPT Letter No. 20011/2/2010-AIS-II dated 29.3.2012, because of it being a mandatory posting.

6 The terms & conditions of Dr. Sameer after its receipt will be put up to the ITDC Board and the Nomination & Remuneration Committee of the Board for information and approval.

7 While approving the terms of appointment of Dr. Sameer Sharma, Board had resolved that in case of absence or inadequacy of profit, the remuneration payable to the managing director shall be subject to the limits specified in Section II, Part II of Schedule V.

8 Section 196(4) of the Companies Act, 2014 requires that the appointment and the terms & conditions including the remuneration as approved by the Board shall be subject to approval by a resolution passed in the general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. It may be submitted that the appointment of Dr. Sameer Sharma is in accordance with Schedule V of the Companies Act, 2013.

9 Schedule V, Part II, Section II require that in case of absence or inadequacy of profits, special resolution is required for payment of remuneration not exceeding three years in accordance with Schedule V, Part II, Section II. Further Part III of Schedule V requires that the appointment and remuneration referred to in Part I and Part II of Schedule V shall be subject to the approval by a resolution of the shareholders in general meeting.

- 10 Second Proviso to Section 197(1) requires the approval of the Company in General Meeting for the payment of remuneration to more than one whole time directors exceeding 10% of the net profits the company.
- 11 In view of the above, special resolution is put up before the Members for approval.
- 12 None of the directors, key managerial personnel and their relatives except Dr. Sameer Sharma himself and his relatives, is interested in the resolution.

**Item No. 10 :**

The concession/discounts to the Ex-Directors of ITDC have been approved by the Board in its meeting held on 29th July, 2002 as under:

- A. 50% concession on menu price of consumable items like food, soft drinks (excluding hard drinks, beer, cigar, cigarettes and such other items) will be allowed for six family members of Ex-Directors including himself. Concession on bakery and confectionary items, however, are excluded when these items are not consumed in hotels/restaurants.
  - B. While on holiday, the ex-Directors and members of their families will be charged 10% of the normal room tariff in the hotels under the direct management of ITDC. 10% of the normal room tariff will be charged when the stay does not exceed 7 nights in a year. In case the stay exceeds 7 nights, 50% of the normal tariff will be charged.
  - C. Supply of food and soft drinks will be served on KOT basis.
- 2 ITDC Board in its meeting held on 14th August, 2014 reviewed the above concession/discounts given to the ex-directors and after review added the following to the existing concession/ discount:
- “Special Fixed Tariff for wedding related functions: It is proposed to provide one option only to all ex-directors including part time non-executive directors the discount for banquet at 60% on published menu rates. This can be availed for wedding related functions for self /children. The minimum service of one year as Director or part time Director is required to avail the said facility. Functional Directors are entitled to avail this facility out of remaining options i.e. out of 3 options given during life time.”
- 3 In this connection, it may be stated that presently, all Ex-ITDC employees including ex-employee directors who worked as an employee of ITDC for a minimum period of 20 years, had been availing since 1.4.2006 the 60% discount on published menu rates for the wedding of Son/ Daughter restricted up to maximum three times during career/lifetime, provided the same has not been availed before his/her retirement. It could be both children before/after retirement, or one before & one after.
  - 4 Now the revised facility as per para 2 would be available to all the directors including non-executive directors who had served on ITDC Board for a minimum period of one year.



- 5 ITDC Board in its meeting held on 14th August, 2014 had approved the proposal subject to approval of the shareholders in the General Meeting because all the directors were interested in the proposal.
- 6 Members are therefore requested to approve the proposal by passing the ordinary resolution.
- 7 All the directors and KMP directors are interested in the resolution.

By Order of the Board of Directors

Place: New Delhi  
Dated: 03.09.2014

(V.K. Jain)  
Company Secretary

To

- (i) All Members of India Tourism Development Corporation Ltd.
- (ii) M/s V. K. Verma & Company, C-37, Connaught Place, New Delhi - 110001
- (iii) All the Directors on the Board of India Tourism Development Corporation Ltd.
- (iv) All Stock Exchanges

## Details as required under Clause 49 of the Listing Agreement in respect of Directors to be appointed and Directors liable to retire by rotation and seeking re-appointment

**Dr. Sameer Sharma:** Dr. Sameer Sharma is M.Sc., MCP and Ph. D. from School of planning, Department of Design, Art, Architecture and Planning, University of Cincinnati, Ohio, USA. He is IAS, (AP:85). During his State Services, he had served various high positions in the State of Andhra Pradesh like Commissioner (Excise), Finance Secretary, Commissioner (Industries), Commissioner and MD of APCO, Deputy Secretary to the Chief Minister of Andhra Pradesh etc. He had also served as the Principal Secretary, Information Technology & Communication, Govt. of Andhra Pradesh. At Central Government, he had served as Director, Ministry of Home, Govt. of India. He is acting as Chairman/Director of 8 Joint Venture Companies of ITDC and he is the Chairman/Director of Kumarakruppa Frontier Hotels Pvt. Ltd. He does not hold any shares in ITDC.

**Dr. (Ms.) T. Kumar:** Dr. (Ms.) T. Kumar is the Additional Secretary and Financial Advisor, Ministry of Tourism. Dr. (Ms.) T. Kumar, an IAS Officer of the West Bengal Cadre, holds a Ph.D in Ancient Indian History from the Delhi University. Before joining the IAS, she served Delhi University as a Lecturer for a brief stint. She has worked in the State Government of West Bengal in various senior positions in the districts and the State Capital, including that of Labour Commissioner and Advisor, Industry. Dr. Kumar has also been on deputation with Government of India in Constitutional Organization and Ministries such as the Union Public Service Commission, Ministry of Human Resource Development, Ministry for Development of the North East Region and Ministry of Culture. She was the Principal Secretary to the Speaker, Lok Sabha (Parliament of India) in the 14th Lok Sabha, between 2004-2009. Before her present posting with Government of India in November, 2012, Dr. Kumar was Additional Chief Secretary with the Government of West Bengal.

Besides ITDC, Dr. Kumar is also the Director in Shipping Corporation of India Limited.

**Shri Trinath Behera :** Shri Behera is a Cost Accountant with Law Degree and associate of Indian Institute of Bankers. He held the position of General Manager (Accounts) from 31.08.2006 to 07.09.2008 and General Manager (Bonds) from 08.09.2008 to 25.04.2013 in Indian Railway Finance Corporation before assuming the position of Director (Finance) in ITDC.

Besides ITDC, he is the Director of five Joint Venture Companies of ITDC.

By Order of the Board of Directors

Place: New Delhi  
Dated: 03.09.2014

(V.K. Jain)  
Company Secretary



To

- (i) All Members of India Tourism Development Corporation Ltd.
- (ii) M/s V. K. Verma & Company, C-37, Connaught Place, New Delhi - 110001
- (iii) All the Directors on the Board of India Tourism Development Corporation Ltd.
- (iv) All Stock Exchanges

## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 49th Annual Report together with the audited accounts of the Corporation for the year ended 31st March, 2014.

Your Corporation has achieved a total turnover of ₹ 469.58 crore during the financial year 2013-14 as against ₹ 440.64 crore in the previous year 2012-13 indicating an overall increase by 6.57%. The increase in overall turnover has been achieved in all the commercial divisions except Hotel LMPH, Janpath, Jammu, Patna and AITD and Ashok Events Division. During the financial year 2013-14, the Corporation has recorded a Net Profit (before tax) of ₹ 11.93 crore as against net profit before tax of ₹ 5.48 crore in previous year 2012-13.

### Performance Highlights

The highlights of the financial results of the Corporation (Standalone) are given below:

| Particulars             | ₹ in crore) |         |
|-------------------------|-------------|---------|
|                         | 2013-14     | 2012-13 |
| Turnover                | 469.58      | 440.64  |
| Operating Profit/(Loss) | 21.76       | 13.73   |
| Less: Depreciation      | 5.96        | 5.89    |

|   |          |          |
|---|----------|----------|
| Add/(Less) Prior period adjustments & Extra-ordinary items          | (-) 3.87 | (-) 2.36 |
| Profit before Tax   | 11.93    | 5.48     |
| Add/(less): Deferred Tax  | 1.00     | (-) 0.59 |
| Less: Provision for Income Tax                                      | (-) 3.50 | (-) 2.20 |
| Less:- Provision for Wealth Tax                                     | (-) 0.01 | (-) 0.01 |
| Add/(Less): Provision for Income Tax for earlier years written back | -        | 0.32     |
| Profit after Tax  | 9.42     | 3.00     |
| Amount available for appropriation                                  | 9.42     | 3.00     |
| Proposed Dividend   | 4.29     | 0.00     |
| Dividend Tax  | 0.73     | 0.00     |
| Equity Capital  | 85.77    | 85.77    |
| Capital Employed  | 276.23   | 277.25   |
| Rate of Return on Capital :-  |          |          |
| Before Tax  | 13.91%   | 6.38%    |
| After Tax   | 10.98%   | 3.5%     |
| Rate of Return on Capital Employed :-                               |          |          |
| Before Tax  | 4.32%    | 1.98%    |
| After Tax   | 3.41%    | 1.08%    |

### Operating Ratio

The Operating Ratio has decreased by 1.51% in the current year with the overall operating ratio of 95.37% as against 96.88% in the previous year 2012-13.

### Division wise Financial Performance

The Division wise financial performance of the Corporation is summarized as under :-

Hotel Division has achieved turnover of ₹ 262.88 crore during the year 2013-14 as against ₹ 250.59 crore in the previous year 2012-13 indicating increase by 4.90% and incurred the net loss of ₹ 4.58 crore as against the net loss of ₹ 4.81 crore in the previous year.

(ii) The turnover of Ashok International Trade Division (A.I.T.Division) has decreased to ₹ 9.40 crore from ₹ 11.35 crore in the previous year. During the year 2013-14, there are 7 Duty Free Shops in operation i.e. at Goa, Goa Seaport, Coimbatore, Haldia Port, Kolkata Port, Chennai Port and Mangalore Port. During the year 2013-14, the AIT Division has incurred a Net Loss of ₹ 1.58 crore as compared to net loss of ₹ 3.96 crore in the previous year.

(iii) Further, the turnover of Ashok Travels & Tours (ATT) Division has increased to ₹ 123.08 crore from ₹ 106.61 crore in the previous year registering an increase by 15.44%. The ATT Division has incurred a net loss of ₹ 1.78 crore as against the net loss of ₹ 1.99 crore in the previous year.

(iv) The turnover of Ashok Tourist Service Station (ATSS) has increased to ₹ 12.96 crore from ₹ 10.45 crore in the previous

year registering an increase by 24.02%. The ATSS has suffered a net loss of ₹ 0.49 crore as against the net loss of ₹ 0.17 crore in the previous year.

(v) The turnover of the Ashok Creatives Division (including SEL Red Fort) has been recorded at ₹ 7.89 crore (previous year ₹ 6.92 crore) and has incurred a loss of ₹ 1.57 crore as against net loss of ₹ 1.51 crore in the previous year 2012-13.

(vi) The Engineering Division has achieved a turnover of ₹ 6.91 crore during the year 2013-14 (previous year ₹ 4.57 crore) with net loss of ₹ 6.83 crore as against net loss of ₹ 11.06 crore in the previous financial year 2012-13.

(vii) The turnover of Ashok Events Division has decreased to ₹ 10.98 crore (previous year ₹ 17.06 crore) with net profit of ₹ 0.66 crore as against net profit of ₹ 2.94 crore in the previous year.

(viii) The Ashok Institute of Hospitality and Tourism Management (AIH&TM) has achieved turnover of ₹ 8.71 crore as against ₹ 7.76 crore in the Previous year with net profit of ₹ 1.35 crore (previous year net profit of ₹ 0.72 crore).

(ix) The Corporate HQ., being the administrative office, has earned an income of ₹ 26.76 crore (previous year

₹ 25.34 crore) mainly consisting of income from Interest on short term deposits with banks from the surplus funds available with it.

### Capital Structure

There is no change in authorized and paid-up capital of the Corporation. The Authorized Capital of the Corporation is ₹ 150 crore and the paid-up Share Capital of the Company is ₹ 85.77 crore as on 31st March, 2014.

### Dividend

The Board of Directors recommended a dividend of 5% on the equity share capital of the Company.

### Rating of ITDC vis-à-vis MoU targets

Performance of the Company for the year 2012-13 has been notified as 'Fair' with Composite Score 3.844 by Department of Public Enterprises (DPE) in terms of the MoU signed with the Government of India.

### Management Discussion and Analysis

The report on the Management Discussion and Analysis is placed at **Annexure-I**.

### Plan Schemes

The Revised Capital Budget Estimates towards capital expenditure for 2013-14 was

₹ 26.37 crore which included ₹ 25.17 crore for renovation/improvement on existing hotels, catering units and other divisions. The capital expenditure during 2013-14 was ₹ 1.47 crore out of which ₹ 0.75 crore was capitalized and ₹ 0.72 crore was charged to revenue.

The Plan outlay for the year 2014-15 is ₹ 71.12 crore out of which ₹ 69.17 crore relates to renovation/improvement in existing hotels, catering units, other divisions.

### Procurement from MSME

As per reports received from the different Hotel Units, Procurement from MSME is ₹ 13.56 lakh during the financial year 2013-14.

### Implementation of Official Language Policy

During the year 2013-14, the Company continued its efforts to give impetus to the use of Hindi in official work through motivation and training. Cash incentives were granted to them on doing prescribed quantum of work in Hindi. Hindi workshops were organized to provide practical training of noting-drafting and other works in Hindi. Various Hindi competitions were also organized during Hindi Fortnight celebrations for giving impetus to the use of official language in day to day work. Hindi Kavigoshthi, Hindi Natya Manchan and Hindi Prize Distribution Event were also organized to encourage official language in the Corporation.

### Particulars of Employees

None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

### Conservation of Energy & Technology Absorption

Commitment towards energy conservation remains in the units at various stages of operations. Commercial considerations, energy conservation policies and practices play a vital role in the endeavours made in this direction.

Since your Company's operations do not involve technology absorption, the particulars as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding technology absorption, are not applicable.

### Foreign Exchange Earnings & Outgo

The Direct Foreign Exchange Earnings during the year 2013-14 has decreased to ₹ 15.87 crore as against ₹ 19.72 crore in the previous year.

### Subsidiary Companies

The Corporation has seven subsidiary companies viz. (i) Donyi Polo Ashok Hotel Corporation Ltd. (ii) Assam Ashok Hotel Corporation Ltd. (iii) MP Ashok Hotel Corporation

Ltd. (iv) Pondicherry Ashok Hotel Corporation Ltd. v) Ranchi Ashok Bihar Hotel Corporation Limited. (vi) Utkal Ashok Hotel Corporation Ltd., (vii) Punjab Ashok Hotel Company Ltd. The Hotel Units were set up under the aforesaid subsidiary companies at Itanagar, Guwahati, Bhopal, Puducherry and Ranchi respectively. The operation of Hotel unit at Puri is closed since March, 2004 and the Hotel has been planned to be leased out. The Hotel project at Anandpur Sahib is incomplete. The Annual Accounts of all the subsidiary companies have been audited and finalized and the Consolidated Annual Accounts pursuant to Clause 32 of the Listing Agreement has been prepared and presented in this Annual Report.

### Exemption under Section 212(8) of the Companies Act, 1956

The Ministry of Corporate Affairs vide its General Circular No: 2/2011 has granted exemption for attaching the Balance Sheet of Subsidiary Companies with the Parent/Holding Company under Section 212(8) of the Companies Act, 1956 provided certain conditions are fulfilled. In terms of the said circular, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2014 is enclosed as **Annexure VI** of this report. In terms of aforesaid circular it is affirmed that annual report of the subsidiary companies and the related detailed information shall be made available to shareholders of the

ITDC and subsidiary companies as and when required. It is further affirmed that annual accounts of the subsidiary companies shall also be made available for inspection by any shareholders in the head office of the ITDC and of the subsidiary companies concerned. The shareholders, if they desire, may write to the company to obtain a copy of financials of the subsidiary companies.

### Board of Directors

During the year, seven Board Meetings were held to transact the business of the Company.

During the year under review, Shri Trinath Behera (w.e.f. 26.04.2013) was appointed as Director (Finance), Dr. (Ms.) T. Kumar, AS&FA-Tourism (w.e.f. 4.9.2013) was appointed as Govt. Nominee Director, Shri Anugolu Venkata Ratnam (w.e.f. 7.10.2013) and Prof. Usha Kiran Rai (w.e.f. 10.12.2013) were appointed as independent directors pursuant to Article 61 of the Articles of Association of the Corporation. Further, Shri Girish Shankar, Govt. Nominee Director & Additional Secretary (Tourism) was given the additional charge of the Managing Director w.e.f. 23.04.2013.

During the year under review, Dr. Lalit K. Panwar (w.e.f. 23.04.2013) and Shri J. S. Mathur (w.e.f. 4.9.2013) ceased to be on the Board of Directors. The Board appreciated the valuable services rendered by them during their tenure.

The present composition of the Board is as under:

- i) Dr. Sameer Sharma, Managing Director w.e.f. 12.05.2014
- ii) Cmde (Retd.) R. K. Okhandiar, Director (C&M) w.e.f. 10.07.2012
- iii) Shri Trinath Behera, Director (Finance) w.e.f. 26.04.2013
- iv) Dr. (Ms.) T. Kumar, Govt. Nominee Director w.e.f. 4.9.2013
- v) Shri Girish Shankar, Govt. Nominee Director w.e.f. 06.09.2012
- vi) Shri Anugolu Venkata Ratnam, Independent Director w.e.f. 07.10.2013
- vii) Prof. Usha Kiran Rai, Independent Director w.e.f. 10.12.2013

Pursuant to Article 61 of the Article of Association, Shri Trinath Behera, Director (Finance) and Dr. (Ms.) T. Kumar, Director retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Details of profile etc. as required under Clause 49 of the Listing Agreement in respect of Directors liable to retire by rotation and seeking re-appointment have been given along with the Notice of AGM.

### Corporate Governance

As per the requirement of Clause 49 of the Listing Agreement, a detailed report on Corporate Governance together with the following is given in **Annexure-II** which forms part of this Report.

- (i) CEO/CFO Certificate [as per Clause 49(v)]; and
- (ii) Certificate from the Company's Auditors [as per Clause 49 (vii)] along with the management reply to qualifications.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed: -

- that in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed read along with proper explanation relating to departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.

- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a 'going concern' basis.

### Auditors and Auditor's Report

The Comptroller & Auditor General of India have appointed M/s V. K. Verma & Company, Chartered Accountants as Statutory Auditors of the Company and also various Branch Auditors for the year 2013-14 under Section 619(2) of the Companies Act, 1956. The Management's replies to the comments and observations of the Statutory Auditors on the accounts ( Standalone and the Consolidated) for the year 2013-14 are given in **Annexure- III, IV & V**.

### Comments of the Comptroller and Auditor General of India

The comments of the Comptroller & Auditor General of India, under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the financial year ended 31 March, 2014 are set out elsewhere in the Annual Report.

### Acknowledgement

The Board places on records its sincere appreciation towards the Company's customers/ clients for the support and confidence reposed by them in the organization and look forward to the continuance of this relationship in future.

The Board also gratefully acknowledges

the support and guidance received from various Ministries of the Government of India particularly, the Ministry of Tourism, in Company's operations and developmental plans. The Board also wishes to record its deep gratitude to all the members of ITDC family whose enthusiasm, dedication and co-operation, put the Company on the path of progress.

For and on behalf of Board of Directors

Date: 03.09.2014  
Place: New Delhi

Trinath Behera  
Director (Finance)

(Dr. Sameer Sharma)  
Managing Director



## Management Discussion and Analysis Report

### Global and Indian Scenario

Global Economy is slowly recovering and is projected to expand by 2.8% this year. Indian Economy hovering below 5% is suffering from lower growth due to high inflation, weak currency and slow down in the manufacturing sector.

Despite slowing economy, Tourism in India registered a growth. Foreign Tourist Arrivals (FTAs) in India during 2013 were 6.97 million with a growth of 5.9% as compared to the FTAs of 6.58 million during 2012 registering a growth of 4.3% over 2011.

ITDC, on its role as a commercial organization is to construct and manage hotels, run Duty Free Shops, provide travel and tour services and produce tourist publicity material etc. Further as a promotional wing of the Ministry of Tourism, it also plays a catalytic and pioneering role in the development of tourism infrastructure in the country.

### SEGMENT WISE PERFORMANCE

#### A. Hotels Division

Keeping in view the need to improve upon the existing check and monitoring system

#### Annexure-I

and endeavour of the Corporation to provide excellent services to our valued guests Smart Hotel Initiatives like Analytics in Operational departments and Customer focused Innovations like AV Check Out Interview recording have been introduced.

The hotel teams have been relentlessly pursuing the major strategic operational points to put the best foot forward so as to meet the commitment to enhance the guest experience by improving the product and service standards.

As a part of a dual pronged strategy to promote the culinary strengths of ITDC hotels abroad as well as promote Indian cuisine abroad, ITDC successfully participated in over fourteen Culinary Festivals during the year with emphasis on Latin American Countries.

ITDC hotels continued to host important events, conventions as well as special short term festivals. VVIP venues like Hyderabad House, Vigyan Bhawan and The Ashok hosted various important conferences/ prestigious events for various Ministries, Government Bodies and Corporates successfully. Hyderabad House is the key venue for VVIP events and state Banquets extended to State dignitaries visiting India.

The Amphitheatre at The Ashok hosted 'Feel India Campaign', an initiative of Incredible India and ITDC which showcased the myriad shades of Indian Culture through the months of February, March and April 2014.

To celebrate various important events and exhibit the fineries of gastronomy, various festivals and promotions were organized at Restaurants. Some of these are FIFA related Food Festivals, Frontier Express Lunch, Easter Special Promotion, Christmas Carnival, New Year Celebrations, Valentine's Day, Navratra Food festival.

Some of the measures taken for improving the performance are:

- Smart Hotel Initiatives - Guest Check out Audio-Visual Interviews for feedback
- Customer Relationship Management to increase guest engagement and enhance guest services
- Service monitoring through Analytics at Major departments like Housekeeping, Room Service and Security
- ISO certification of kitchens at Hotel Jammu Ashok, Hotel Kalinga Ashok-Bhubaneswar and Lalitha Mahal Palace Hotel-Mysore have been completed.
- Upgrading of products through utilization of idle capacities like new restaurants on lease base
- New Convention Centre is being added at Hotel Brahmaputra Ashok.

The Ashok, New Delhi won 'National Tourism Award and Today's Traveller Award 2013 for Best Convention Centre. Executive Chef Shri Rajan Loomba has been awarded the Best Chef (4 to 5 Star Deluxe, Heritage Grand and Classic Hotels Category) in the National Tourism Awards 2012-13.

Three new outlets named 'S Pangaea', 'S Nom Nom' and 'Zeroco' have been opened at The Ashok, New Delhi.

Lease of some of the properties are going to expire. ITDC is pursuing with the State Governments to renew these leases.

#### B. Ashok Creatives Division

During the year 2013-14, the Division focused on sourcing more work from its existing clients like Ministry of Tourism, TRIFED and new business from Kendriya Vidyalaya Sangthan and conference business through Ashok Events Division.

Advertisements for in house requirements of ITDC Units and Divisions and print production work for ITDC Hotels and Divisions has been undertaken by Ashok Creatives Division.

The Division initiated designing of Coffee Table Book 'The Ashok-Capital Icon', tracing the glorious six decades of the flagship Hotel's existence. The text writing of the book was assigned to the renowned Travel Writers Huge & Collen Gantzer.

The Ashok Creatives Division is making aggressive marketing efforts to source works from PSUs and Government bodies for new publicity and print production works.

The main constraint is that technical manpower is considerably inadequate and staff needs more exposure to the latest developments in their respective fields through workshops, seminars etc. held in India and abroad.

#### C. Ashok International Trade Division

AITD business is focused mainly on seaports. The Division has presence at 6 seaports, the DFS at Kakinada seaport is awaiting Custom Licence while at Paradip Seaport, we have got space, DFS will be commenced after complying with necessary formalities during the financial year 2014-15. Mumbai Port Trust issued us provisional letter for allotment of space at Mumbai Port International Cruise Building subject to the final decision of the Board of Trustees. The ports in Kandla and Tuticorin are the next targets and talks with these ports are progressing well.

With all the major airport retail operations in India having been bagged by major international players, ITDC is aiming for airports in the tier II cities in the country, as the international passenger flow has increased at these airports also.

There are big opportunities emerging in allied areas such as seaports and Border Shops,

AIT Division is tapping the opportunities at the seaport in a big way and intend to foray into Border Shop area also in the near future.

#### D. Ashok Travels and Tours Division (ATT)

During the year 2013-14, ATT has achieved an all time high turnover of ₹ 123.08 crore. During the current fiscal, ATT launched its online travel portal -www.itdctravels.com. ATT plans to start cargo business during the next financial year to improve its margins.

#### E. Ashok Institute of Hospitality & Tourism Management

The current activities of AIH&TM are:

- 4-years bachelors' degree in International Hospitality Business Management (BIHBM) in association with Kurukshetra University since the year 2004.
- One year diploma courses in hospitality trades in association with National Institute of Open Schooling in 2011.
- Skill Development Training Programmes sponsored by Ministry of Tourism e.g. Hunar se Rozgar since 2011
- On-the-job training to trainees/ students.
- Apprenticeship training

- Training of ITDC executives and non executives as per yearly calendar.
- One year residential training programme in airline, hospitality & travel management sponsored by Department of North Eastern Region. (DONER), since 2007.
- Diploma and degree programmes in hospitality and tourism management in association with Mewar university.

#### VISION FOR AIH&TM:

- Expansion of infrastructure by setting up a skill training centre at Kosi Kalan, Mathura in association with other empanelled partners.
- Affiliation with NCHMCT to offer B.Sc course in order to increase student strength.
- Designing craftsman course of 03 to 06 months duration Expansion of NIOS courses by having partnership on sharing basis with private institutes.
- Implementing other schemes of MoT under CBSP scheme like Skill Certification Course etc.
- Participation in more inter-college competitions to give more exposure to our students.

- Arranging for campus placements with other hotel chains.

#### F. Ashok Consultancy & Engineering Division

Ashok Consultancy & Engineering Division consists of engineers from Civil, Electrical & Mechanical, Architect and Horticulture disciplines. The expertise lies in preparing techno-economic feasibility reports (DPRs) engineering technical services, management consultancy and advisory services and consultancy for adventure tourism. Sound & Light Show (SEL) is the unique expertise of ITDC and have implemented several SEL Shows in India. Ministry of Tourism, Ministry of Culture and State Governments approach ITDC for utilizing these services.

The completed projects are Renovation of 17 Guest Rooms of Hotel Kalinga Ashok, Bhubaneswar and SEL show at Cellular Jail, Port Blair at Andaman & Nicobar Islands. Further, Division is working on many SEL projects sanctioned by the Ministry of Tourism / State Tourisms.

Future strategy is to focus on ITDC's properties for making them complaint free, to take up the renovation/ upgradation of ITDC's hotels, to liaise with State Govt. for preparing DPR for their Mega Projects and to focus on various infrastructure and renovation projects with various Ministries and State Governments.

### G. Ashok Events Division

The Ashok Events Division manages events, conferences and exhibitions both within the country and abroad and has established itself as a leader in the field of Event Management.

The Ashok Events Division handled more than 85 events during the year 2013-14.

Through its Event Management activity, the Division also acts as a catalyst in the generation of business for other divisions of the Company like Ashok Group of Hotels, Ashok Travels & Tours and Ashok Creatives etc.

### 3. ITDC - SWOT Analysis

#### Strengths

- Well Established Brand for 47 years
- Properties at Prime Location
- Large accommodation, Food & Beverage and Convention facilities
- Well recognised expertise in State Banquets, VVIP catering, Gala dinners, Domestic and global event management, Sound & Light Shows and media planning-branding
- Patronage of the Ministry of Tourism and other Govt. Agencies

#### Weakness

- Properties requiring significant

upgradation and extensive renovation

- Ageing manpower
- High operating costs due to high wage bill
- Long and tedious procedures hamper the competitive effectiveness

#### Opportunities

- Tourism infrastructure in India is improving which will eventually translate into significant business opportunities.
- E-based solutions and advance technologies are available at low costs in the market for hotels to utilize and increase the productivity
- Optimum utilization of infrastructure of hotels by leasing out extra space available

#### Threats

- New hotels with ultra modern facilities are coming up
- Overall decrease in demand due to excess room supply in Delhi and other cities
- Wage & Productivity imbalance
- Lease period of some of the properties expiring

### 4. Environment Management Initiatives

ITDC being a responsible CPSE has adopted various eco-friendly measures like Effluent Treatment Plant (ETP), Rainwater Harvesting System and energy & water conservation measures in its Hotels.

All Delhi based Hotels have Effluent Treatment Plant (ETP) and Rainwater Harvesting System. Hotel Janpath has Solar Heating Plant. As regards outside Delhi Hotels, Hotel Jammu Ashok and Hotel Jaipur Ashok have ETPs. The kitchen of all Delhi based units and Hotel Jaipur Ashok are ISO certified. ITDC is committed to energy conservation at every stage of its operations during the year. ITDC continues to maintain its thrust on energy conservation.

### 5. Outlook

India is the 12th largest travel & tourism economy in the world and has the possibility to become one of the biggest economies over. India has a vast untapped potential for tourism which can play a special role in our socio-economic progress.

Introduction of Visa on Arrival and E-visa are expected give a boost to this sector. The industry has been applauded by the government's initiatives to set up Tourists Circuits with the investment of Rs.500 crore.

ITDC is working hard under the new management to achieve the occupancy target. Initiatives taken by the Corporate Marketing

& Sales Division to market and promote ITDC properties :

- Formulation of tariff for all the ITDC Hotels for the year 2013-14
- Introduction of Summer Gateway Packages/Promotions
- Sales Blitzs were undertaken in different source markets
- ITDC participated in trade fairs and travel marts (including SATTE (New Delhi); Great India Travel Bazaar 2014 (Delhi); World Travel Mart 2013(London); ITB 2013( Berlin); Arabian Travel Mart 2014 (Dubai); MICE Travel Mart (Mumbai).
- Product familiarization visits were organized to our properties to travel agents, opinion makers etc.

### 6. Risk and Concerns

Tourism Industry is facing immense negative publicity from the international media on reoccurring incidents of rape/molestations against women foreign tourists. Government therefore needs to pay attention towards the safety and security of the tourists in the country.

Company's specific risks as per the reports submitted by different units/divisions of ITDC are as under:

- Economic Risk : Dependence on one client
- Industrial Risk : Threat to market share

- Personnel Risk : Non-availability of adequate skill sets
- Political Risk : Threat to property safety
- Legal Risk : Contractual Risk & Tax Risk

#### 7. Vision and Mission

As per MoU 2014-15 signed between ITDC and the Ministry of Tourism, the vision and mission of the Corporation are as under:

##### CORPORATE VISION

ITDC aspires to acquire a leading position in hospitality and tourism sector and achieve higher return on investment for our shareholders while fulfilling the core objective of development, promotion and expansion of domestic as well as international tourism in the country for all sectors of the society.

##### CORPORATE MISSION

To act as the prime mover in the progressive development, promotion and expansion of domestic as well as international tourism in the country for all sectors of the society through multifarious activities based on a strong customer focus, building trust, quality service, convenience at a competitive price.

#### 8. Internal Control

The Corporation has adequate internal checks and control system commensurate

with its needs. Internal Auditors have been selected from the list of firms having experience of conducting audit of hotels and/or related operations of the units. Further no major internal control weakness has been reported by the Branch/Statutory Auditors.

The Corporation has comprehensive manuals such as Purchase Manual, Engineering Manual and Licensing Procedures etc. for Internal Checks & Control system. Further the Corporation introduced an Internal Audit Manual prepared by the Institute of Public Auditors of India. The Internal Auditors have been advised to follow the Internal Audit Manual.

#### 9. Human Resource Management and Industrial Relations

The total number of employees in the Corporation as on 31.3.2013, were 1874 which have come down to 1733 as on 31.03.2014 (excluding 100 employees engaged on Direct contract basis). Out of 1733 employees, 510 employees belongs to Scheduled Caste (SCs), 40 belongs to Scheduled Tribes (STs) and 88 to Other Backward Classes (OBCs). 89 employees were promoted to the next higher posts, out of which 18 employees belong to Scheduled Castes (SCs),

02 employees belong to Scheduled Tribes (STs) and 05 belong to Other Backward Castes (OBCs). There are 249 Women employees working in ITDC as on 31.03.2014 constituting 14.36% of the total workforce of the Corporation. Of these 66 are at Executive level and 183 are at non-executive level.

The overall industrial relations situation in ITDC continued to be cordial and good.

#### Cautionary Statement

Statement in the Management Discussion and Analysis describing the Company's objective, projections and estimates are forward looking statement and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions Government policies and other incidental factors.



Annexure-II

**Report on Corporate Governance for the year 2013-14**

Pursuant to Clause 49 of the Listing Agreement

**CORPORATE GOVERNANCE**

**(1) Philosophy on Code of Governance**

The Corporation is committed to sound Corporate Governance practices. The Management believes that strong and sound Corporate Governance is an important instrument of protection of stakeholders through transparency, professionalism, accountability and adequate disclosures. The Corporation continuously endeavours to improve on these aspects on an ongoing basis.

**(2) Board of Directors**

ITDC is a Public Sector Enterprise and the appointment of Directors both executive and non-executive is made by the Government of India. During the financial year 2013-14, the Board had following composition:

**(A) Executive Directors**

Dr Lalit K. Panwar, Chairman & Managing Director from 21.4.2010 to 12.06.2012 and re-designated as Vice Chairman & Managing Director from 13.06.2012 to 23.04.2013

Shri Girish Shankar, Managing Director w.e.f. 23.04.2013 to 12.05.2014

Shri Trinath Behera, Director(Finance) from 26.04.2013

Cmdr (Retd.) Ratan Kumar Okhandiar, Director (C&M) from 10.07.2012

**(B) Non-Executive Directors**

**(a) Part-time Govt. Directors**

Shri Girish Shankar (From 06.09.2012 to 23.04.2013)

Shri Jitendra Shankar Mathur from 04.03.2013 to 04.09.2013

Dr. (Ms.) T. Kumar from 04.09.2013

**(b) Independent Part-time Directors**

Shri Anugolu Venkata Ratnam from 07.10.2013

Prof. Usha Kiran Rai from 10.12.2013

The Board presently comprises of seven Directors i.e. Managing Director, Director (Finance), Director (C&M), two Government Nominee Directors and two Independent Directors as under:

**(A) Executive Directors**

Dr. Sameer Sharma appointed as Managing Director w.e.f. 12.05.2014

Shri Trinath Behera, Director (Finance) w.e.f. 26.04.2013

Cmdr. (Retd) Ratan Kumar Okhandiar, Director (C&M) w.e.f. 10.07.2012

**(B) Non-Executive Directors**

**(a) Part-time Government Nominee Directors**

Shri Girish Shankar Additional Secretary-Ministry of Tourism (from 06.09.2012 to 23.04.2013 as Govt. Nominee Director) (from 23.04.2013 to 12.05.2014 Additional Charge of Managing Director) (from 12.05.2014 as Govt. Nominee Director)

Dr. (Ms) T. Kumar AS&FA-Ministry of Tourism w.e.f. 04.09.2013

**(b) Independent Part-time Directors**

Shri Anugolu Venkata Ratnam from 07.10.2013

Prof. Usha Kiran Rai from 10.12.2013

Note : Independent Directors are appointed by the Govt. of India for a period of three years.

After the resignation of Shri Shankersinh Vaghela- part time chairman cum Independent Director, no regular Chairman has been appointed. The matter of appointment of regular part time chairman cum Independent Directors is under consideration of the Administrative Ministry i.e. Ministry of Tourism.

As per disclosure received from the Directors, the Directors are not related to one another.

**2 (a) Board Procedure**

Seven meetings of the Board of Directors were held during the year 2013-14 (i.e. 14th May, 2013, 27th May, 2013, 2nd August, 2013, 4th September, 2013, 23rd October, 2013, 11th December, 2013 and 24th January, 2014), the attendance of Directors thereat was as follows: -

| Name of the Director          | No. of Board Meetings held during the tenure of a Director | No. of Board Meetings attended | AGM (last attended) (Yes / No) |
|-------------------------------|--|--------------------------------|--------------------------------|
| Dr. Lalit K. Panwar*          | 00   | 00                             | No                             |
| Shri Girish Shankar           | 07   | 06                             | Yes                            |
| Shri J.S. Mathur**            | 03   | 02                             | No                             |
| Dr. (Ms.) T. Kumar***         | 04   | 04                             | Yes                            |
| @Shri Trinath Behera          | 07   | 07                             | Yes                            |
| R. K. Okhandiar               |  |                                |                                |
| Cmdr (Retd.)                  | 07   | 07                             | Yes                            |
| @@Shri Anugolu Venkata Ratnam | 03   | 03                             | No                             |
| @@@Prof. Usha Kiran Rai       | 02   | 01                             | No                             |

\* Ceased to be on the Board on 23.04.2013  
 \*\* Ceased to be on the Board on 04.09.2013  
 \*\*\* Appointed w.e.f. 04.09.2013  
 @ Appointed w.e.f. 26.4.2013  
 @@Appointed w.e.f. 07.10.2013  
 @@@Appointed w.e.f. 10.12.2013

**2 (b) Other Directorships**

The details of Directorships in other Companies and the Committee Memberships

held by the Directors in such companies during 2013-14 was as under:

| Name of the Director          | No. of other Directorships | Board Committees of other Companies in which he is a Member/Chairman |
|-------------------------------|----------------------------|--|
| *Dr. Lalit K Panwar           | 09                         | Nil  |
| Shri Girish Shankar           | 09                         | Nil  |
| **Shri J.S. Mathur            | 01                         | Nil  |
| ***Dr. (Ms.) T. Kumar         | 02                         | Nil  |
| @Shri Trinath Behera          | 08                         | Nil  |
| Cmdr (Retd.) R. K. Okhandiar  | 08                         | Nil  |
| @@Shri Anugolu Venkata Ratnam | Nil                        | Nil  |
| @@@Prof. Usha Kiran Rai       | 01                         | Nil  |

\* Ceased to be on the Board on 23.04.2013  
 \*\* Ceased to be on the Board on 04.09.2013  
 \*\*\* Appointed w.e.f. 04.09.2013  
 @ Appointed w.e.f. 26.4.2013  
 @@Appointed w.e.f. 07.10.2013  
 @@@Appointed w.e.f. 10.12.2013

**2 (c) Pecuniary relationship or transactions of the Directors**

No remuneration is paid to the Government Nominee Directors. The VC&MD/Managing Director and the functional directors are the whole time employees of the Corporation and are being given salary/perks and other facilities according to the terms of appointment and the rules of the Corporation.

During the year under review i.e. 2013-14, the Non-official (Independent) Directors were paid the following in ITDC :

- i) Sitting fee of ₹ 1000/- for each Meeting of the Board and Committee thereof as determined by ITDC Board in its meeting held on 12th January, 1998.
- ii) Providing or reimbursing expenses of Air Tickets, Conveyance, Boarding, Lodging and Meals incurred on

attending the meeting of the Board, Committee Meetings and for visits in connection with the affairs of the Corporation as per copy of the letter No. U.11020/19/78-PSU(Tourism) dated 21.12.1979

iii) Concession/Discounts allowed in ITDC Hotels as per ITDC Circular No. 8(4)/96-HO(o)/02 dated 23.09.1996

Except the above, Corporation did not have any pecuniary relationship or transactions with its directors during the period under review.

#### 2 (d) Code of Conduct

The Code of Business Conduct & Ethics for the Board members and the Senior Management Personnel of the Corporation, as revised by the Company in its meeting held on 7th May, 2012, were posted on the web-site of the Corporation. The Corporation has obtained affirmation of compliance of the Code of Conduct by the Board Members and the Senior Management personnel.

#### 2 (e) Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Directors' Report.

#### 2 (f) CEO/CFO Certification

CEO/CFO certification pursuant to Clause 49(v) of the Listing Agreement is enclosed at the end of this section.

#### (3) Audit Committee

Composition: During 2013-14, the composition of Audit Committee was as under:-

| Name of the Director            | Status   | Remarks                         |
|---------------------------------|----------|---------------------------------|
| Shri J. S. Mathur*              | Chairman | Non-Independent & Non-Executive |
| Dr. (Ms.) T. Kumar**            | Chairman | Non-Independent & Non-Executive |
| Shri Girish Shankar***          | Member   | Non-Independent & Non-Executive |
| Shri Anugolu Ventaka Ratnam@    | Chairman | Independent & Non-Executive     |
| Prof. Usha Kiran Rai@@          | Member   | Independent & Non-Executive     |
| Cmde (Retd.) R. K. Okhandiar@@@ | Member   | Non-Independent & Executive     |

\* Ceased to be on the Board on 04.09.2013  
 \*\* Appointed on the Board w.e.f. 04.09.2013  
 \*\*\* Ceased to be the non-executive and appointed as MD w.e.f. 23.04.2013  
 @Appointed on the Board w.e.f. 07.10.2013  
 @@Appointed on the Board w.e.f. 10.12.2013  
 @@@ Ceased to be on the Audit Committee w.e.f. 11.12.2013

Presently, the Committee is headed by Shri Anugolu Venkata Ratnam, Independent Director. Shri Anugolu Ventaka Ratnam is a Practicing Chartered Accountant. The other members of the Audit Committee are Prof. Usha Kiran Rai, Independent Director and Dr. (Ms.) T. Kumar, Govt. Nominee Director.

The Company Secretary is the Secretary to the Committee. The Committee also invites Statutory Auditors, Director (Finance), Managing Director, Chief Internal Audit Officer and the senior executives of the Corporation to attend the meetings of the Committee.

During the financial year 2013-14, the Terms of Reference of the Audit Committee, as laid down by the Board of Directors in its meeting held on the 27th July, 2001, are as under:-

- (1) Overview of the Corporation's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- (2) Reviewing with the management, internal and statutory/branch auditors, the adequacy of internal control systems.
- (3) Recommend the fixation of audit fee of the statutory auditors and branch auditors of the Corporation to be appointed by the Comptroller and Auditor General of India.
- (4) Approval of payment to statutory/branch auditors for any other services.
- (5) Discussions with internal auditors on any significant findings and follow-up action.
- (6) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- (7) Discussion with statutory auditors before the audit commences about nature, scope of audit and time schedule as well as post audit discussions to ascertain any area of concern.
- (8) Review with management the annual financial statements before submission to the Board, focusing primarily on:-
  - (a) Any change in accounting policies and practices
  - (b) Major accounting entries based on exercise of judgment by management
- (c) Qualifications in draft audit report of statutory auditors
- (d) Significant adjustments arising out of audit
- (e) The going concern assumptions
- (f) Compliance with accounting standards
- (g) Compliance with stock exchange and legal requirements concerning financial statements
- (h) Any related party transactions i.e. transaction of the Corporation of material nature, with the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Corporation at large
- (9) Reviewing the Corporation's Financial and Risk Management Policies
- (10) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.

Note: Any recommendation of the Audit Committee on any matter relating to financial management including the Audit Report, shall be binding on the Board. If any recommendation is not accepted by the Board, it shall record the reasons and communicate the same to the Members.

In view of the amendment in the Listing Agreement and the New Companies Act, 2013 effective w.e.f. 01.04.2014, the Board of

Directors in their meeting held on 28th April, 2014 have revised the terms of reference of the Audit Committee in accordance with the revised listing agreement and the requirement of Section 177 of the Companies Act, 2013.

Meetings: During the year 2013-14, four meetings of the Audit Committee were held on 14.05.2013, 04.09.2013, 23.10.2013 and 24.01.2014. One meeting of the Audit Committee to be held on 02.08.2013 was called but could not be held as quorum was not present. The attendance of the members in the meetings was as under:-

| Name of the Member           | No. of Audit Committee Meetings held during tenure | No. of Audit Committee Meetings attended during tenure |
|------------------------------|--|--|
| Shri J.S. Mathur             | 01   | 01   |
| Dr. (Ms.) T. Kumar           | 03   | 03   |
| Shri Girish Shankar          | 00   | 00   |
| Shri Anugolu Venkata Ratnam  | 02   | 02   |
| Prof. Usha Kiran Rai         | 01   | 01   |
| Cmde (Retd.) R. K. Okhandiar | 03   | 03   |

Note: The minutes of the Audit Committee meeting(s) are placed in the respective Board meetings for approval and wherever required, deliberated upon further.

The chairperson of the Audit Committee was present in the Annual General Meeting held on 30.09.2013 for the financial year 2012-13.

#### (4) Nomination & Remuneration Committee

The Board in its meeting held on 30th January, 2009 had constituted a Remuneration Committee as per the requirement of the DPE O.M. No. 2(70)/08-DPE(WC) dated 26.11.2008. The terms & reference of the Remuneration Committee is to consider and make recommendation on the following issues:

- Payment of Performance Related Pay (PRP);
- The level of executives, who will be provided company leased accommodation;
- The other allowances and perks admissible to the different categories of the executives subject to a maximum ceiling of 50% of the Basic Pay;
- Development of a robust and transparent Performance Management System (PMS) by 31.3.2009. For the period 01.01.2007 and till a PMS is in place not later than 31.3.2009, the payment of PRP on the existing guidelines of DPE, which is limited to 5% of distributable profit in an enterprise; and
- Introduction of CTC concept in ITDC.

During the year 2013-14, the composition of the Committee was as under :

| Name of the Director              | Status   | Remarks                         |
|-----------------------------------|----------|---------------------------------|
| Shri Anugolu Ventaka Ratnam       | Chairman | Independent & Non-Executive     |
| Dr. (Ms.) T. Kumar**              | Member   | Non-Independent & Non-Executive |
| Shri Trinath Behera               | Member   | Non-Independent & Executive     |
| Cmde (Retd.) R. K. Okhandiar\$@@@ | Member   | Non-Independent & Executive     |

During the financial year 2013-14, no meeting of the Remuneration Committee was held. The Committee has been reconstituted on 28th April, 2014 as per the requirements of the Companies Act, 2013. Presently, Shri Anugolu Ventaka Ratnam, Independent Director is the Chairman of the Committee. The other members of the Committee are Prof. Usha

Kiran Rai, Independent Director and Dr. (Ms.) T. Kumar, Govt. Nominee Director.

The terms of reference of the Committee is to comply the mandate given under sub-section (2), (3) and (4) of Section 178 of the Companies Act, 2013. In addition, the Committee will decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits for the Board level, below Board level employees and Non-unionised supervisors following IDA pattern of pay scales as per requirement of the DPE Guidelines.

The details of remuneration paid to the Directors during financial year 2013-14 were as under:-

Payment made to key management personnel and their relatives:

Remuneration: ₹ 43.14 lakh

Sitting fees: 0.14 lakh

Total: ₹ 43.28 lakh

#### (5) Share Transfer Committee

The Board of Directors in their meeting held on 07/12/2010 has empowered M/s Karvy Computershare (Pvt) Ltd, the Registrar and Transfer Agent (RTA) to process, approve and dispatch the share transfer request and transmission request based on succession certificate and hence Share Transfer Committee was no longer in use till January 2014.

The Board of Directors through agenda by circulation in February 2014 reconstituted the Share Transfer Committee and revised the scope to include approval of the issue of share certificate on receipt of Rematerialization Request from the applicant shareholders. The Composition of the Committee was as under :

- Shri Trinath Behera, Director (Finance)
- Cmde (Retd.) R. K. Okhandiar, Director (C&M)

In accordance with the requirements of the new Companies Act, 2013 read with Sub-rule 3 of Rule 5 of Companies (Share Capital & Debentures) Rules, 2014, the Share Transfer Committee was further reconstituted and is now comprised of Director (Finance), Director (C&M), Govt. Nominee Director other than FA and Govt. Nominee Director being FA.

During the financial year 2013-14, one meeting of the Share Transfer Committee was held on 17th February, 2014. All the members of the Share Transfer Committee were present in the meeting.

#### (6) Redressal of Shareholders / Investors, Grievances Committee

The Committee on Redressal of Shareholders/ Investors, Grievances was constituted to look into redressal of shareholders and Investors complaint like delay in transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend etc. During the financial year 2013-14, the composition of the Committee was as under :

Dr. Lalit K. Panwar\*  
Shri Pradeep Kumar Agarwal\*\*

\* Ceased to be on the Board w.e.f. 23.04.2013  
\*\* Ceased to be on the Board w.e.f. 28.09.2012

During the financial year 2013-14, no meeting of the committee was held.

There was one complaint of the shareholder regarding transmission of shares forwarded to the Corporation by SEBI during 2013-14. Shareholders/Investors queries/grievances are normally attended within a period of 7-10 days



from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned. Shareholders/ Investors grievances during the year 2013-14, are as under:-

| Particulars            | Received + outstanding at the beginning of the year | Redressed | Pending with Investors for completing procedural formalities |
|------------------------|---|-----------|--|
| Non-receipt of shares  | 1   | 1         | Nil  |
| Transmission of shares | 2   | 2         | Nil  |

In view of Section 178(5) of the Companies Act, 2013, the Board in its meeting held on 28th April, 2014 has re-designated and re-constituted the committee as 'Stakeholders Relationship Committee' as under :

- i) Prof. Usha Kiran Rai : Chairman  
(Independent Director)
- ii) Shri A.V. Ratnam : Member  
(Independent Director)

Name and address of the Compliance Officer is as under :

Mr. V K Jain, Company Secretary  
India Tourism Development Corporation Ltd.  
SCOPE Complex, Core 8, 6th Floor  
7 Lodi Road, New Delhi - 110 003  
Email : vkjain@theashokgroup.com  
cs\_itdc@theashokgroup.com  
Tel: 011-24360249  
Fax: 011-24360249

**(7) Corporate Social Responsibility (CSR) & Sustainable Development (SD) Committee :**

In accordance with the DPE Guidelines, ITDC has formed a Sr. Management Committee/

Below Board Level Committee on CSR & SD headed by the Vice President (F&A) being the Nodal Officer for CSR & SD activities in the Company. Further, Board in its meeting held on 4th September, 2013 constituted a Board level Committee on CSR & SD. During the financial year 2013-14, the composition of the Committee was as under:

- i) Shri Anugolu Venkata Ratnam : Chairman  
(Independent Director)
- ii) Managing Director : Member
- iii) Director (C&M) : Member

During the financial year 2013-14, four meeting of the Committee were held i.e. 23.10.2013, 11.12.2013, 24.01.2014 and 28.03.2014. The attendance of the Directors in the meeting was as under:

| Name of Member    | No. of CSR Committee Meetings held during | No. of CSR Committee Meetings attended during tenure |
|-------------------|---|--|
| Shri A. V. Ratnam | 4   | 4  |
| Managing Director | 4   | 3  |
| Director (C&M)    | 4   | 4  |

Presently, the CSR & SD Committee comprises of Shri A.V. Ratnam, Independent Director being the Chairman, Managing Director and Director (C&M).

**(8) Separate Meeting of Independent Directors:**

DPE vide its OM No. 16(4)/2012-GM dated 28th December, 2012 amended vide O.M. No. 16(4)/2012-GM dated 20th June, 2013 requires :

- a) The Non-official Directors of the Company shall hold at least one meeting in a year, without the attendance of Functional and Government Directors and Members of management;

- b) All the Non-official Directors of the Company shall strive to be present at such meeting;
- c) The meeting shall assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Accordingly, a separate meeting of independent directors was held on 28th day of March, 2014 to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(9) General Body Meetings**

The last three Annual General Meetings were held as under:-

| Financial Year ended | Day & Date             | Time     | Venue                        |
|----------------------|------------------------|----------|------------------------------|
| 31.3.2011            | 30.09.2011 (Friday)    | 1600 hrs | Ashok Hotel New Delhi-110021 |
| 31.3.2012            | 26.09.2012 (Wednesday) | 1400 hrs | Ashok Hotel New Delhi-110021 |
| 31.3.2013            | 30.09.2013 (Monday)    | 1600 hrs | Ashok Hotel New Delhi-110021 |

Note: All the resolutions as set out in the respective AGM Notices were duly passed by the Members. No resolution was passed by Postal Ballot during the year under review.

**(10) Disclosures**

The status is as under:

- (A) Disclosures on materially significant related party transactions

The Corporation has not entered into any materially significant related party transactions that may have

potential conflict with the interests of the Corporation at large. However the Corporation has given loans to its subsidiaries from time to time.

**(B) Legal Compliance**

During last three years no penalties or strictures have been imposed on the Corporation by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital markets. However, the Stock Exchange sent letters, from time to time, on its observation on non-compliance of the Listing Agreement regarding Composition of the Board and Qualified and Independent Audit Committee.

ITDC published un-audited financial results for the last quarter ended 31st March, 2014 along with the Limited Review Report in accordance with Clause 41(I)(eaa) of the Listing Agreement. The Company received a email dated 9.7.2014 from the BSE informing that last quarter/yearly audited financial results are required to be submitted to the Exchange within 60 days of the close of the financial year instead of un-audited financial results for the last quarter of the financial year. We had requested the SEBI for extension of time and condonation of delay in submission and publishing of audited financial results for the year ended 31st March, 2014 which was not accepted. SEBI has asked to announce the reasons of delay. SEBI's directions were complied on 11th August, 2014. The Audited Financial Results were submitted to the Stock Exchange on 14th August, 2014.

**(C) Whistle Blower Policy**

Employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against



the Corporation's interest. No employee has been denied access to the Audit Committee in this regard. Further, Public Sectors Companies have a Vigilance Department, an independent Govt. Agency. Chief Vigilance Officer, the Head of the Vigilance Division, is under the direct control of the Central Vigilance Commission (CVC). Full transparency is maintained through RTI Act, 2005 and the Central Public Grievance Redress and Monitoring System (CPGRMS). The Audit Committee with an independent head and comprising Govt. Nominees, provide strong whistle blowing against corruption/ malpractices.

(D) The Corporation has generally complied with all the mandatory requirements of Clause 49 except for provision relating to Independent Directors as stated here-in-above. The Corporation has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

- a) The Corporation maintains a Chairman's office at Corporation's expense and allows reimbursement of expenses incurred in performance of his duties.
- b) The Corporation has formed a Remuneration Committee, all of the Members of the Remuneration Committee are Non-executive Directors.
- c) The Corporation has formulated a training policy for Board Members. As per policy, ITDC offers training programmes organized by SCOPE and DPE to the Board Members. Further, on induction of non-

official Directors, ITDC may also arrange training on the role and responsibilities of Directors from the professional institutes like ICAI, ICSI, ICWAI, IIM etc.

- (E) As per Clause 3.5 of DPE Guidelines relating to Corporate Governance, powers of the Board have been described in Clause 71 of the Articles of Association. Powers of the C & MD/VC & MD/MD and the Functional Directors, which have been delegated from the Board, have been specified in the DOP of C&MD/VC&MD/MD and the Functional Directors. Similarly, the powers of the Heads of Divisions of different divisions/ units and the powers, wherever required, for functional staff down to the line of HoD have been specified in the DOP.

#### (11) Risk Management

In compliance with Clause 49 of Listing Agreement, Risk Management Policy laying down a sound process for identification and mitigation of risks, as approved by the Board in its meeting held on the 11th May, 2010, has been circulated on the 23rd September, 2010 and posted on the website of ITDC. In accordance with the policy, the unit head of all strategic division has been nominated as Risk Manager and a committee namely Risk Management Compliance Committee (RMCC) presently headed by Director (C&M) has been constituted to oversee and ensure compliances with the Risk Management Policy of the Corporation.

During the financial year 2013-14, four meetings of the RMCC were held on 03.05.2013, 23.08.2013, 23.12.2013 and 20.03.2013.

#### (12) Subsidiary Companies

The Corporation does not have any materially unlisted subsidiary as per explanation provided in Clause 49 (III) of Listing Agreement and hence is not required to have Independent Directors of the Corporation on the Board of such subsidiary. However, all the executive Directors of the Corporation on the Board of such subsidiary are non-executive part time Directors on the Board of Subsidiary Companies. The Corporation has submitted the minutes of the Board Meetings of the Subsidiary Companies to the ITDC Board on 02.08.2013.

#### (13) Policy on Insider Trading

ITDC has adopted the Code of Conduct for Prevention of Insider Trading in accordance with the guidelines specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. The Model code of Conduct is posted on the website of ITDC.

The Corporation, during the year, has not entered into transactions of material nature with the Directors/Management Personnel of the Corporation that may have potential conflict with the interests of the Corporation at large.

#### (14) Means of Communication

The Corporation communicates with its shareholders on an annual basis through the Annual Report. The quarterly, half-yearly and yearly financial results of the Corporation are sent to the Stock Exchanges immediately after they are approved by the Board. The results are published in leading English 'The Statesmen' and local language newspapers 'Jansatta', as given hereunder, having wide coverage. Official news releases are given directly to the press. Necessary arrangements have been made for hosting the quarterly results on the Corporation's website: [www.theashokgroup.com](http://www.theashokgroup.com). The Management

discussion and Analysis is part of the Directors' Report.

The Company also publishes a monthly magazine 'Ashoknaama' for sharing information with various stakeholders on the significant development of the activities of the Corporation. Soft copy of the magazine is also available on the company's website.

#### (15) General Shareholder Information

- (i) AGM: Monday, 29th September, 2014
- (ii) Financial Year: 1st April to 31st March
- (iii) Book Closure: 26th September, 2014 to 29th September, 2014 (both days inclusive)
- (iv) Listing of Shares: The Corporation's shares are listed on the Stock Exchanges at Delhi and Mumbai. The Corporation has paid annual listing fees for the financial year 2014-15 to these stock exchanges. Their addresses are as under:-

| Name of Stock Exchange   | Stock Code |
|--|------------|
| The Stock Exchange, Mumbai (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street<br>Mumbai - 400001         | 532189     |
| The Delhi Stock Exchange Association Ltd. (DSE)<br>DSE House, 3/1, Asaf Ali Road<br>New Delhi - 110002 | 8009       |

The Delhi Stock Exchange is the Regional Stock Exchange for the Corporation. The Registration Number of the Corporation with the Registrar of Companies, NCT of Delhi and Haryana is 55-4363. With the introduction of e-filing by the Ministry of Corporate Affairs, the Corporate Identification Number allotted to the Corporation is: L 74899 DL 1965 GOI 004363.

- (v) Market Price Data: High and Low of ITDC market share price on Bombay Stock Exchange, No. of shares traded, turnover in 2013-14 are summarized as under:-

| Year 2013-14   | Rupees  |         | Number of Shares Traded | Total Turnover (₹ in lakh) |
|----------------|---------|---------|-------------------------|----------------------------|
|                | High    | Low     |                         |                            |
| April 2013     | 903.80  | 584.30  | 404                     | 2.87                       |
| May 2013       | 1366.25 | 921.85  | 556                     | 6.24                       |
| June 2013      | 1490.00 | 1283.75 | 134                     | 1.88                       |
| July 2013      | 1258.10 | 1050.00 | 22                      | 0.24                       |
| August 2013    | 1000.00 | 524.95  | 208                     | 1.37                       |
| September 2013 | 514.55  | 351.15  | 159                     | 0.67                       |
| October 2013   | 344.15  | 230.30  | 2107                    | 5.31                       |
| November 2013  | 225.70  | 154.20  | 2912                    | 5.23                       |
| December 2013  | 151.15  | 101.35  | 8949                    | 10.45                      |
| January 2014   | 99.35   | 78.85   | 866606                  | 780.56                     |
| February 2014  | 77.30   | 61.80   | 494758                  | 349.38                     |
| March 2014     | 107.25  | 64.20   | 316927                  | 294.89                     |

The closing price of share as on last working day of the March 2014 i.e. 31.03.2014 is ₹ 96.25.

(vi) **Registrar and Share Transfer Agent:**

KARVY COMPUTERSHARE PVT. LTD.  
Plot No. 17 to 24, Vithal Rao Nagar  
Madhapur, Hyderabad-500081  
Contact person : Mr. V. K. Jayaraman /  
Mr. Srikrishna Pemmaraju  
Email : einward.ris@karvy.com  
Tel : 91 40 23420818

(vii) **Registered Office:** Scope Complex  
Core 8, 6th floor, 7 Lodi Road  
New Delhi - 110003

(viii) **Corporate Office and Address for Correspondence:** Scope Complex  
Core 8, 6th Floor, 7 Lodi Road  
New Delhi - 110003

(ix) **Shareholding Pattern and Distribution of Shareholding:**

The shareholding pattern of the Corporation's Equity, as on 31.3.2014, is as under:-

| Category                      | No. of Shareholders | No. of Shares held | % of Shareholding |
|-------------------------------|---------------------|--------------------|-------------------|
| <b>Promoter</b>               |                     |                    |                   |
| President of India            | 1                   | 74641681           | 87.03             |
| <b>Public Shareholding</b>    |                     |                    |                   |
| Financial Institutions/ Banks | 3                   | 3779400            | 4.40              |
| Bodies Corporate              | 115                 | 6904322            | 8.05              |
| Individuals & others          | 1671                | 443997             | 0.52              |
| <b>Total</b>                  | <b>1790</b>         | <b>85769400</b>    | <b>100.0</b>      |

The distribution of shareholding as on 31st March, 2014 is as under: -

| Nominal Value     | No. of Shareholders | % of Total Shareholders | No. of Shares held | % of Total Shares held |
|-------------------|---------------------|-------------------------|--------------------|------------------------|
| Up to 5,000       | 1584                | 88.49                   | 171872             | 0.20                   |
| 5001 - 10,000     | 106                 | 5.92                    | 86172              | 0.10                   |
| 10001 - 20,000    | 47                  | 2.63                    | 69972              | 0.08                   |
| 20,001 - 30,000   | 14                  | 0.78                    | 33708              | 0.04                   |
| 30,001 - 40,000   | 15                  | 0.84                    | 51183              | 0.06                   |
| 40,001 - 50,000   | 5                   | 0.28                    | 23184              | 0.03                   |
| 50,001 - 1,00,000 | 8                   | 0.45                    | 60480              | 0.07                   |
| 1,00,001 & above  | 11                  | 0.61                    | 85272829           | 99.42                  |
| <b>Total</b>      | <b>1790</b>         | <b>100.00</b>           | <b>85769400</b>    | <b>100.00</b>          |

During the financial year 2013-14, the President of India represented by Ministry of Tourism has disinvested shares equal to 5% of the paid-up capital under "OFS Scheme" i.e. Offer for Sale by the promoter through Stock Exchange Mechanism at a price of ₹ 70/- per share. This has been done to comply with the Minimum Public Shareholding of 10% of the paid-up capital.

Further, during December, 2013 the promoter also disinvested 70,349 equity shares amounting to 0.08% of the paid-up capital to the employees of the Corporation at a price of ₹ 66.50 per share under the sale of shares to employees scheme.

(x) **Dematerialization of Shares:** The Corporation's shares are admitted for dematerialization with NSDL and CDSL.

As on 31st March, 2014, 85761097 numbers of shares constituting 99.99% are in dematerialized form. The entire promoter's holding are in dematerialized form. The ISIN Number is: INE353K01014.

(xi) **Investors' Correspondence:** Investors, for any matter related to share transfer, payment of dividend on shares, etc may contact the following:

Mr. V K Jain, Company Secretary  
India Tourism Development Corporation Ltd.  
Scope Complex, Core 8, 6th Floor  
7 Lodi Road, New Delhi - 110003  
Email : vkjain@theashokgroup.com  
cs\_itdc@theashokgroup.com  
Tel: 011-24360249  
Fax: 011-24360249

KARVY COMPUTERSHARE PVT. LTD.  
Plot No. 17 to 24, Vithal Rao Nagar  
Madhapur, Hyderabad-500081  
Contact person : Mr. V. K. Jayaraman/  
Mr. Srikrishna Pemmaraju  
Email : einward.ris@karvy.com  
Tel : 040-44655116  
Fax : 040-23420814

(xii) **Locations of Hotels and Other Units etc:** The list of Corporation's owned and managed Hotels and Duty Free Shops, ATT Units etc. are given in **Appendix**.

(xiii) **ADR/GDR:** No ADR/GDR issue was made by the Corporation nor any issue of any convertible instruments which has effect on the equity capital.

(xiv) **Financial Calendar**

|                       |                                    |
|-----------------------|------------------------------------|
| 1st Quarterly Results | : on or before 15th August, 2014   |
| 2nd Quarterly Results | : on or before 15th November, 2014 |

|  |                                    |
|--|------------------------------------|
| 3rd Quarterly Results                    | : on or before 15th February, 2015 |
| 4th Quarterly Results                    | : on or before 15th May, 2015      |
| AGM for the year ending 31st March, 2015 | : on 30th September, 2015          |

(xv) **Shareholders are requested to register their email IDS with their Depository Participants in case of Dematerialized shares and with the Registered Transfer Agent in case of Physical shares.**

(xvi) **Nomination Facility:** Nomination Facility: Shareholders holding shares in physical form can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares, later on, transmitted to his/her name.

(xvii) **General Shareholder Information:**

**Registered Office:**  
India Tourism Development Corporation Ltd.  
Scope Complex, Core 8, 6th Floor  
7 Lodi Road, New Delhi - 110003  
Tel : (011) 24360249  
Fax : (011) 24360249  
E-mail: vkjain@theashokgroup.com

(16) **Corporate Social Responsibility (CSR) and Sustainable Development**

During the year 2013-14, ITDC imparted training for skill development to the interested youth between the age group of 18-28 years and who are minimum 8th class pass, under "Hunar Se Rozgar" scheme. ITDC is also paying a scholarship of ₹ 1400/- as Ashok Fellowship to each trainee through its own resources on successful completion of the training. Ashok Institute of Hospitality and Tourism Management also assists the students in finding suitable placements. ITDC has spent ₹ 4,54,000/- in 2013-14.

ITDC has been entrusted with partnership of Clean India Pilot Project at Qutab Minar, New Delhi. The project was launched by Hon'ble Minister of Tourism. The Pilot Project has successfully brought various stakeholders on one platform. Expenditure on this activity for 2013-14 was ₹ 8,73,000/-

₹ 1,50,000/- was donated to Chief Minister's Relief Fund, Uttarakhand during 2013-14.

Following sustainable development activities were undertaken by ITDC during the financial year 2013-14:

- a) 3000 LPD Solar Water Heating System at Hotel Jaipur Ashok
- b) Solar Water Heating System (R&D) at Hotel Ashok
- c) Energy Saving Control System in AC plant at Hotel Ashok

- d) ISO14001: 2004 certification for Hotel Ashok, Samrat and Janpath
- e) Conversion to PNG in Hot Water Boiler at Samrat
- f) Conversion to PNG in Hotel Water Boiler at Janpath

#### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

For India Tourism Development Corporation Ltd.

(Trinath Behera) (Dr. Sameer Sharma)  
Director (Finance) Managing Director

Annexure - II(i)

### CEO/CFO Certification

It is certified that:

- (a) We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or statements that might be misleading; and
  - (ii) These statements together present a true and fair view of the Corporation's affairs and are in compliance with existing accounting standards read along with explanation given relating to departures, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Corporation during the year which are fraudulent, illegal or violative of the Corporation's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Corporation and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

- (i) There have been no significant changes in internal control during the year;
- (ii) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and
- (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of  
India Tourism Development Corporation Ltd.

(Trinath Behera) (Dr. Sameer Sharma)  
Director (Finance) Managing Director

Place: New Delhi  
Dated: 03.09.2014



### Auditor's Certificate on Compliance with the Conditions of Corporate Governance under Clause 49 of the Listing Agreement

To  
The Members of  
India Tourism Development Corporation Limited  
New Delhi

1. We have examined the compliance of Conditions of Corporate Governance by India Tourism Development Corporation Limited, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Corporation with the Stock Exchange(s) in India (hereinafter referred to as 'the Agreement').
2. We have conducted our examination on the basis of the relevant records and documents maintained by the Corporation for the year ended 31st March, 2014 and furnished to us for the purpose of the review and the information and explanations given to us by the Corporation during the course of such review.
3. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementations thereof, adopted by the corporation for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of Corporation.
4. In our opinion and to the best of our information and according to the explanation given to us, we certify that the Corporation has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, subject to the following :-

49 of the Listing Agreement, the Corporation does not fulfil the minimum requirement of Independent directors till 10th December, 2013. However, the Corporation fulfilled the requirements of the same during financial year 2013-14. At present, Corporation requires at least one more Independent Director to fulfil the requirements of the same.

(ii) Audit Committee Meeting held on 14th May, 2013, 4th September, 2013, 23rd October, 2013 does not fulfil the requirement of minimum two Independent Director as per Para II B of Clause 49 of Listing Agreement.

(iii) As per Para IV (G) (iii) of Clause 49 of the Listing Agreement, Investor Grievance Committee of the Organization shall be formed under the chairmanship of the non-executive director. But Corporation does not have any member in this Committee during the financial year 2013-14 and at present, Corporation is fulfilling the requirement of the same.

We further state that such compliance is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V.K. Verma & Co.  
Chartered Accountants (FRN 000386N)

(Vivek Kumar)

Partner

Place : New Delhi

Date : 3rd September, 2014

M. No. 503826

### Management's Replies to the Observations of Auditors on Corporate Governance for 2013-14

| Audit Observations  | Management's Reply  |
|---|---|
| As required by Para IA of the Clause 49 of the Listing Agreement, the Corporation does not fulfil the minimum requirement of Independent directors till 10th December, 2013. However, the Corporation fulfilled the requirements of the same during financial year 2013-14. At present, Corporation requires at least one more Independent Director to fulfil the requirements of the same. | In the case of Central Public Sector Undertakings (CPSEs), the Directors are appointed by the Administrative Ministry through a procedure prescribed by the Department of Public Enterprises. The Administrative Ministry has appointed one Independent Director on 7th October, 2013 and another Independent Director on 10th December, 2013. The process of appointing more independent directors as required under the Listing Agreement is under consideration of the Administrative Ministry i.e. Ministry of Tourism. |
| Audit Committee Meeting held on 14th May, 2013, 4th September, 2013, 23rd October, 2013 does not fulfil the requirement of minimum two Independent Directors as per Para II B of Clause 49 of Listing Agreement.  | -do-  |
| As per Para IV (G) (iii) of Clause 49 of the Listing Agreement, Investor Grievance Committee of the Organization shall be formed under the Chairmanship of the Non-Executive Director. But Corporation does not have any member in this Committee during the financial year 2013-14 and at present, Corporation is fulfilling the requirement of the same.                                  | Out of four quarters during financial year 2013-14, quarter ended September 2013 and December 2013 had no grievances either pending or received. During quarter ended June 2013, ITDC had two grievances and during quarter ended March 2014 only one grievance and these grievances were redressed in time after their receipt. A meeting of the Grievance Committee was held on 14th August, 2014 where complaint status was Nil.   |



Appendix

Annexure - III

**The Network of ITDC Services**  
(as on 31.03.2014)

|                                       |   |   |          |
|---------------------------------------|---|---|----------|
| <b>A. ASHOK GROUP OF HOTELS</b>       |   | 3. Kolkata Seaport  | 1        |
| 1. Ashok Hotel, New Delhi             |   | 4. Haldia Seaport   | 1        |
| 2. Hotel Janpath, New Delhi           |   | 5. Visakhapatnam Seaport  | 1        |
| 3. Hotel Samrat, New Delhi            |   | 6. Goa Seaport  | 1        |
| 4. Lalitha Mahal Palace Hotel, Mysore |   | 7. New Mangalore Seaport  | 1        |
| 5. Hotel Jaipur Ashok, Jaipur         |   | <b>Total</b>  | <b>7</b> |
| 6. Hotel Jammu Ashok, Jammu           |   | <b>E. SOUND &amp; LIGHT SHOWS</b>                                       |          |
| 7. Hotel Patliputra Ashok, Patna      |   | 1. Red Fort, Delhi  |          |
| 8. Hotel Kalinga Ashok, Bhubaneswar   |   | 2. Purana Qila, Delhi   |          |
| <b>B. RESTAURANT</b>                  |   | <b>F. JOINT VENTURE HOTELS</b>  |          |
| 1. Taj Restaurant, Agra               |   | 1. Hotel Brahmaputra Ashok, Guwahati                                    |          |
| <b>C. TRAVEL/TRANSPORT UNITS</b>      |   | 2. Hotel Ranchi Ashok, Ranchi   |          |
| 1. Varanasi                           |   | 3. Hotel Nilachal Ashok, Puri<br>(Closed since March 2004)              |          |
| 2. Bengaluru                          |   | 4. Hotel Pondicherry Ashok, Puducherry                                  |          |
| 3. Chennai                            |   | 5. Hotel Lake View Ashok, Bhopal  |          |
| 4. Aurangabad                         |   | 6. Hotel Donyi Polo Ashok, Itanagar                                     |          |
| 5. Patna                              |   | <b>G. MANAGED UNITS</b>   |          |
| 6. Delhi                              |   | 1. Hotel Bharatpur Ashok, Bharatpur                                     |          |
| 7. Kolkata                            |   | 2. Kosi Restaurant, Kosi  |          |
| 8. Mumbai                             |   | <b>H. CATERING ESTABLISHMENTS</b>                                       |          |
| 9. Hyderabad                          |   | 1. State Guest House & Hospitality Centre<br>Hyderabad House, New Delhi |          |
| 10. Guwahati                          |   | 2. Western Court Catering Service<br>New Delhi                          |          |
| 11. Ranchi                            |   | 3. Ashok Mayur Restaurant<br>Vigyan Bhawan, New Delhi                   |          |
| <b>Ashok Tourist Service Station</b>  |   |   |          |
| Chanakyapuri, New Delhi               |   |   |          |
| <b>D. DUTY FREE SHOPS</b>             |   |   |          |
| 1. Coimbatore Airport Arrival Lounge  | 1 |   |          |
| 2. Chennai Seaport                    | 1 |   |          |

**Replies to the Comments contained in Statutory Auditors' Report  
to the Shareholders on the Accounts for the  
Year ended 31st March, 2014**

| Para on<br>Basis for<br>Qualified<br>Opinion | Management Reply  |
|--|---|
| i)   | Refer Note No. 1 in Note No. 17 and 14A to Accounts. The investments in subsidiary companies are long term investments and as per Accounting Policy of the Company, these investments are stated at cost in the accounts and provision for diminution in value of each investment, if any, is made to recognise the decline, other than of temporary nature. The financial performance of some of the subsidiary companies except Hotel at Puri (which is operationally closed), have now shown improving trend and are making payment towards management fee and repayment of loans. As the repayment of loans/interest due thereon and management fees is not commensurate with the amount charged to them every year, the Corporation has decided to postpone the accounting for such income from these companies (viz management fees and interest on loan given) to actual realisation from 2008-09 onwards, which is in accordance with the provisions of Accounting Standard-9 on Revenue Recognition. However, in view of the improved performance and intrinsic value of properties/assets of these subsidiary companies, the amount of investments, amount recoverable from these companies has been considered as good for recovery. As regards two non-operational companies, the action for revival of the incomplete project at Anandpur Sahib through PPP mode is in progress and in case of closed unit Hotel Nilachal Ashok, Puri, the Joint Venture Company would explore further investment in the property to revive the Company. |

### Management's Response to the Emphasis of matter contained in the Statutory Audit Report to the Shareholders for the Year ended 31st March, 2014

| Sl. No. | Management's Reply  |
|---------|---|
| 1       | The stock details of the inventory items is maintained at respective Duty Free Shop operating from Goa Airport and Seaport Goa. However, the accounts of the units are being maintained at Mumbai Office. The physical verification of inventory has been conducted at the unit level to which internal auditors have reported in their report to be found correct as per book balance. The information available in this regard was made available to the branch auditors also. On the basis of the information, the accounts for the year 2013-14 have been prepared. |
| 2       | As per the Agreement with the Directorate of Estate, unit Vigyan Bhavan is providing catering services to Govt. of India. Under the terms and conditions, inter alia, unit has to pay the electricity & water charges on actual consumption basis. Since neither any meter for electricity/water has been installed, nor there has been any demand since inception, the amount payable is not determinable. However, the estimated/adhoc amount has been provided in the books of accounts as a prudent accounting practice.  |
| 3       | The disclosure of transactions with related parties as per Accounting Standard-18 has been made in Note No. 9 of General Note No. 32 and the observation of the audit is noted for compliance in the next financial year.   |
| 4       | The disclosure in pursuance of Accounting Standard-19 on Leases, has been made in Note No. 10 in General Note No. 32 to Accounts.   |

### Replies to Observation of Statutory Auditors contained in Annexure to the Report

| Para No.           | Management Reply   |
|--------------------|--|
| 1(a) & (b)         | Noted for compliance   |
| 2 (a), (b) & ( c ) | Noted for compliance   |
| 3                  | No comments  |
| 4                  | Noted for compliance   |
| 5(a)               | No comments  |
| 6                  | No comments  |
| 7                  | Noted for compliance   |
| 8                  | No comments  |
| 9(a)               | Noted for compliance   |
| 9(b)               | Since the matters of Sales Tax, Income Tax, Luxury Tax , Custom Duty etc. are under appeals with the appropriate authorities, therefore, pending decision, the same have been included in the Contingent Liabilities in the Notes to Accounts (Refer Note No. 31). |
| 10                 | No comments  |
| 11 to 21           | No comments  |

On the observations given above and noted for compliance, all the units will be advised to take appropriate corrective action to ensure that the same are not repeated in the coming year accounts.

Annexure-V

**Replies to the Comments contained in Statutory Auditors' Report to the Board of Directors on the Consolidated Financial Statements for the Year ended 31st March, 2014**

| Para on Basis for Qualified Opinion | Management Reply |
|-------------------------------------|------------------|
|-------------------------------------|------------------|

- |    |   |
|----|---|
| i) | Refer Note No. 1 in Note No. 17 and 14A to Accounts. The investments in subsidiary companies are long term investments and as per Accounting Policy of the Company, these investments are stated at cost in the accounts and provision for diminution in value of each investment, if any, is made to recognise the decline, other than of temporary nature. The financial performance of some of the subsidiary companies except Hotel at Puri (which is operationally closed), have now shown improving trend and are making payment towards management fee and repayment of loans. As the repayment of loans/interest due thereon and management fees is not commensurate with the amount charged to them every year, the Corporation has decided to postpone the accounting for such income from these companies (viz management fees and interest on loan given) to actual realisation from 2008-09 onwards, which is in accordance with the provisions of Accounting Standard-9 on Revenue Recognition. However, in view of the improved performance and intrinsic value of properties/assets of these subsidiary companies, the amount of investments, amount recoverable from these companies has been considered as good for recovery. As regards two non-operational companies, the action for revival of the incomplete project at Anandpur Sahib through PPP mode is in progress and in case of closed unit Hotel Nilachal Ashok, Puri, the Joint Venture Company would explore further investment in the property to revive the Company. |
|----|---|

**Management's Response to the Emphasis of matter contained in the Statutory Audit Report to the Board of Directors on the Consolidated Financial Statements for the Year ended 31st March, 2014**

| Sl. No. | Management's Reply |
|---------|--------------------|
|---------|--------------------|

- |   |   |
|---|---|
| 1 | The stock details of the inventory items is maintained at respective Duty Free Shop operating from Goa Airport and Seaport Goa. However, the accounts of the units are being maintained at Mumbai Office. The physical verification of inventory has been conducted at the unit level to which internal auditors have reported in their report to be found correct as per book balance. The information available in this regard was made available to the branch auditors also. On the basis of the information, the accounts for the year 2013-14 have been prepared. |
| 2 | As per the Agreement with the Directorate of Estate, unit Vigyan Bhavan is providing catering services to Govt. of India. Under the terms and conditions, inter alia, unit has to pay the electricity & water charges on actual consumption basis. Since neither any meter for electricity/water has been installed, nor there has been any demand since inception, the amount payable is not determinable. However, the estimated/adhoc amount has been provided in the books of accounts as a prudent accounting practice.  |
| 3 | The disclosure of transactions with related parties as per Accounting Standard-18 has been made in Note No. 9 of General Note No. 32 and the observation of the audit is noted for compliance in the next financial year.   |
| 4 | The disclosure in pursuance of Accounting Standard-19 on Leases, has been made in Note No. 10 in General Note No. 32 to Accounts.   |

## Statement pursuant to exemption under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies as on 31st March, 2014

| Name of the Company                       | Financial Year | Share Capital | Reserves (Net of Accumulated Losses) | Total Assets   | Total Liabilities | Details of Investment (except in case of Investment in Subsidiaries) | Turnover       | Profit/(Loss) before Taxation | Provision for Taxation | Profit/(Loss) after Taxation |
|---|----------------|---------------|--------------------------------------|----------------|-------------------|--|----------------|-------------------------------|------------------------|------------------------------|
| Ranchi Ashok Bihar Hotel Corporation Ltd. | 2013-14        | 4,89,96,000   | (4,86,08,990.00)                     | 3,93,88,485.00 | 3,90,01,475.00    | -  | 2,35,90,066.00 | (96,24,809.00)                | (14,35,576.00)         | (81,89,233.00)               |
|   | 2012-13        | 71,60,000     | (4,04,19,757.35)                     | 1,79,38,259.75 | 5,11,98,017.10    | -  | 2,39,54,974.01 | (95,26,342.74)                | -                      | (95,26,342.74)               |
| MP Ashok Hotel Corporation Ltd.           | 2013-14        | 1,60,00,000   | (91,82,808.53)                       | 7,95,49,682.88 | 7,27,32,491.41    | -  | 7,35,86,990.28 | 72,78,141.25                  | 2,361.00               | 72,75,780.25                 |
|   | 2012-13        | 1,60,00,000   | (1,64,38,588.78)                     | 7,44,99,429.09 | 7,49,58,017.87    | -  | 6,65,94,343.20 | 1,04,92,571.39                | 41,12,817.00           | 63,79,754.39                 |
| Pondicherry Ashok Hotel Corporation Ltd.  | 2013-14        | 1,60,00,000   | (19,80,827.00)                       | 3,74,11,169.00 | 2,33,91,996.00    | -  | 2,09,25,220.00 | (23,36,128.00)                | 9,81,997.00            | (33,18,125.00)               |
|   | 2012-13        | 60,00,000     | 13,37,299.00                         | 2,63,58,838.00 | 1,90,21,539.00    | -  | 1,77,50,639.00 | (20,52,460.00)                | 9,23,564.00            | (29,76,024.00)               |
| Utkal Ashok Hotel Corporation Ltd.        | 2013-14        | 4,80,00,000   | (20,61,09,981.95)                    | 2,45,73,823.25 | 18,26,83,805.20   | -  | 1,03,431.00    | (58,62,436.00)                | -                      | (58,62,436.00)               |
|   | 2012-13        | 4,80,00,000   | (20,02,47,545.95)                    | 2,52,81,772.25 | 17,75,29,318.20   | -  | -              | (61,40,169.20)                | -                      | (61,40,169.20)               |
| Punjab Ashok Hotel Company Ltd.           | 2013-14        | 2,50,00,000   | (13,80,641.29)                       | 2,78,03,746.39 | 41,84,387.68      | -  | -              | (18,205.00)                   | -                      | (18,205.00)                  |
|   | 2012-13        | 2,50,00,000   | (13,62,436.29)                       | 2,75,96,867.39 | 39,59,303.68      | -  | 750.00         | (23,815.30)                   | -                      | (23,815.30)                  |
| Donyi Polo Ashok Hotel Corporation Ltd.   | 2013-14        | 99,75,000     | 1,34,43,561.27                       | 3,49,25,168.45 | 1,15,06,607.18    | -  | 2,78,20,138.00 | 32,84,272.71                  | 10,10,403.00           | 22,73,869.71                 |
|   | 2012-13        | 99,75,000     | 1,11,69,691.56                       | 3,01,62,266.14 | 90,17,574.58      | -  | 2,25,92,859.00 | 7,12,796.66                   | 2,93,272.00            | 4,19,524.66                  |
| Assam Ashok Hotel Corporation Ltd.        | 2013-14        | 1,00,00,000   | (5,90,67,994.00)                     | 5,49,27,674.00 | 10,39,95,668.00   | -  | 8,32,53,841.00 | 39,90,256.00                  | 4,34,830.00            | 35,55,426.00                 |
|   | 2012-13        | 1,00,00,000   | (6,26,23,419.99)                     | 4,83,95,803.94 | 10,10,19,223.93   | -  | 7,39,55,201.35 | (35,22,298.33)                | (12,90,174.00)         | (22,32,124.33)               |

## Independent Auditors' Report to the Members of India Tourism Development Corporation Limited

### Report on the Financial Statements

We have audited the attached Balance sheet of **India Tourism Development Corporation Limited**, New Delhi as at 31st March, 2014, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the accounts of the Head Office and 4 units/branches audited by us and 35 units/ branches audited by respective branch auditors appointed by the Comptroller and Auditor General of India.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on

these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis of Qualified Opinion

- The Corporation is due ₹ 1,315.92 lakh as at 31.03.2014 (₹ 1,413.96 lakh up to 31.03.2013) from certain subsidiary Companies (which have significant accumulated losses) on account of services rendered and



*funds advanced to them (including interest thereon). Besides the Corporation holds investments in the said subsidiaries having a book value as at 31.03.2014 of ₹ 1060.58 lakh (Previous Year ₹ 759.70 lakh). The management has represented to us that these investments are of long term nature and the shortfall/diminution in their value is not permanent and that the intrinsic value of assets owned by these companies is considerable to recover the dues and cost of investments, though two of the companies are non-operational and the present net worth of most of these companies is in the negative (Refer Note Nos. 17(1) & 14A(1)).*

#### Emphasis of Matter

Without qualifying our opinion, we further report that:

1. As per the auditors of Units having name Duty Free Shop- Goa and Sea-port, Management did not provide to the auditor the details of movement of stock with rate and amount, giving details of item descriptions lying on 31st March, 2014. However, Management explained to the auditor that inventories of the company have been physically verified by the management at the year end and also the inventory lying at the unit has been physically verified by the

internal auditor and as reported by him, the inventory was found to be correct as per the book balance, on the day of physical verification.

2. As per the auditor of Vigyan Bhawan the unit has provided an amount of ₹ 4,00,000/- for electricity and water charges on assumption basis. The total liability towards electricity & water charges since the inception of the unit is ₹ 59,34,305/- payable to Directorate of Estate is subject to confirmation. In the absence of requisite details thereof and supporting documents, we cannot comment thereon.
3. Non-disclosure of complete details pertaining to transactions entered into during the year with related parties-Accounting Standard-18-Related Party Disclosure.
4. Non-disclosure of details required in respect of operating leases entered into by the Corporation. [Point No. 11 of General Note 32] - Accounting Standard-19 Leases.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the matter described in the basis for Qualified Opinion paragraph**, the financial statement gives the information required by the Companies Act, 1956 in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i) In the case of Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2014,
- ii) In the case Statement of Profit & Loss, of the profit for the year ended on that date, and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

We further report that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion the Company has kept proper books of account as required by law so far as appears from our examination of those books.

- iii. The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account,
  - a. *Except for the matter described in the Basis of Qualified Opinion paragraph and emphasis of matter*, in our opinion, the Balance Sheet, Statement of Profit & Loss comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
  - b. Provisions of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956 are not applicable to the Government Company in terms of GSR 829(E) dated 21st October, 2003 issued by Government of India, Department of Company affairs.

For V.K. Verma & Co.  
Chartered Accountants  
(FRN.000386N)

Vivek Kumar  
(Partner)

Place: New Delhi  
Date: 14.08.2014

Membership No. 503826

## Annexure Referred to in our Report of even date on the Accounts of India Tourism Development Corporation Limited for the Year ended 31st March, 2014

1. (a) The Corporation has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except at few branches / units where records were incomplete in respect of quantitative details and situation etc.*
- (b) The fixed assets are reported to have been physically verified by the management generally at the year end / reasonable intervals. *In most of the branches / units and the head office, the book balance and physical balances have not been reconciled and hence, the discrepancies, if any, have not been ascertained for necessary adjustments in the books of account.*
- (c) The corporation has not disposed off substantial portion of its fixed assets during the year and hence going concern assumption is not affected.
2. (a) The inventory has been physically verified by the management generally once in a year except at few branches / units where

verification has been conducted at the end of every half year. *Some of the branch auditors have reported that though the inventory has been physically verified the frequency of verification is inadequate/ not reasonable and needs to be increased in view of the size and nature of the inventory.*

(b) The procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the Corporation and the nature of its business. *Some of the branch auditors have reported that the procedures of physical verification of inventories need to be strengthened and provision made for evaporation loss / obsolescence for dead stock of stores / spares / provisions, crockery & cutlery items and stationery items.*

(c) The corporation is generally maintaining proper records of inventory *except at few units wherein the branch auditors have reported that proper records of inventory were not maintained.* The discrepancies noticed on physical verification between the physical stocks and the book records were not material *except at some branches where such discrepancies could not be ascertained in the absence of proper records of inventory.* However, since the consumption

of these stocks, stores, crockery, cutlery etc. had been worked out by taking opening balance, purchases and closing balance based on physical inventories, *the value of shortages etc. has not been ascertained and shown separately.*

3. The Corporation has neither taken nor granted any loans, secured or unsecured from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of Clauses 4(iii) (b), (c), (d), (e), (f) and (g) of the said order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Corporation and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and rendering of services *except at some branches wherein the branch auditors have reported, that the evaluation of the prevailing internal control structure and its operation disclosed weak internal control systems and which is not adequate and commensurate with the size of the branch and the nature of its business, with regard to purchase of inventory and recording, purchase of fixed assets, sale of goods and services, purchase and consumption of raw materials, cost of services rendered, stores, stocks, issuance of material and which need to*

*be improved / strengthened.*

5. (a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (b) Not applicable in view of para (a) above.
6. The Corporation has not accepted any deposits from public in terms of Sections 58A and 58AA of the Companies Act, 1956 and the rules made there under.
7. In our opinion, the Corporation has an internal audit system, which is generally commensurate with the size and nature of its business. *However, as reported by some of the branch auditors and in units audited by us, the coverage of internal audit needs to be enlarged to cover all areas of operation including timely submission and follow up of the reports.*
8. As informed to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of Sub-Section (1) of Section 209 of the Companies Act, 1956.
9. (a) In our opinion the Corporation is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's

State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it *except as reported by some of the branch auditors regarding irregularity in deposit / non-deposit of undisputed statutory dues*

According to the information and explanations given to us and as reported by the branch auditors in their reports, the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as on 31.03.2014 for a period of more than six months from the date they became payable are given below :

| Name of the Statute/Unit | Nature of Dues | Amount (₹ in lakh) | Period to which the Amount Relates |
|--------------------------|----------------|--------------------|------------------------------------|
| ESI, Vigyan Bhawan,      | ESI            | 4.79               | More than six months               |
| ESI Hyderabad House      | ESI            | 1.72               | More than six months               |
| ESI Ashok Hotel          | ESI            | 0.445              | More than six months               |
| EPF, Ashok Hotel         | EPF            | 1.87               | More than six months               |

(b) According to the information & explanations given to us and as reported by the branch auditors in their reports, dues of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited on account of disputes are given below:

| Name of the Statute/Unit            | Nature of Dues    | Amount (₹ in lakh) | Period to which the Amount Relates | Forum where Dispute is Pending       |
|-------------------------------------|-------------------|--------------------|------------------------------------|--------------------------------------|
| ESI, Ashok Hotel New Delhi          | ESI               | 501.79             | Earlier Years                      | High Court of Delhi                  |
| Service Tax, Ashok Hotel New Delhi  | Service Tax       | 330.91             | Earlier Years                      | CESTAT, Delhi                        |
| The Delhi Sales tax Act, 1975       | Local Sales Tax   | 150.25             | 1990 to 2007                       | Various Authorities                  |
| The Central Sales Tax Act, 1956     | Central Sales Tax | 3.02               | 1987 to 2002                       | Various Authorities                  |
| Andhra Pradesh VAT Act, 2005        | Local Sales Tax   | 327.15             | 2005 to 2007                       | Hyderabad High Court                 |
| The Delhi Tax on Luxuries Act, 1996 | Luxury Tax        | 42.58              | 2001-02 & 2002-03                  | Assistant Commissioner of Luxury Tax |

|                                 |                 |           |                          |  |
|---------------------------------|-----------------|-----------|--------------------------|--|
| The Income Tax Act, 1961        | Income Tax      | 337.49    | 1992-93                  | Income Tax Appellate Tribunal          |
|                                 |                 | 17.59     | 1995-96                  | Delhi High Court                       |
|                                 |                 | 845.16    | 2006-07 & 2007-08        | ITAT of CIT (A)                        |
| Finance Act, 2014, Ashok Event  | Service Tax     | 39.65     | 2006 to 2009             | Additional Commissioner of Service Tax |
| Excise Duty, Kalinga            | Excise Duty     | 13.33     | 2002-03                  | High Court, Odisha                     |
| ESI, Kalinga                    | ESI             | 1.45      | Earlier Years            | Dist. Court, Khurda                    |
| Service Tax                     | Service Tax     | 52.91     | Earlier Years            | Addl. Director General, DGCEI, Kolkata |
| ESI, Hotel Samrat               | ESI             | 71.68     | 01.10.1997 to 31.03.2000 | High Court of Delhi                    |
| EPF, Hotel Samrat               | EPF             | 17.92     | 1982 to 1985             | Supreme Court of India                 |
| Bihar VAT Act, Patliputra Ashok | VAT             | 3.09      | Earlier Years            | JCCT, Patna                            |
| ESI, Hotel Janpath              | ESI             | 60.08     | 1998-2003                | High Court of Delhi                    |
| Custom Act, 1962                | Custom Duty     | 18,478.67 | 2004-05                  | CESTAT                                 |
| Custom Act, 1962                | Custom Duty     | 42.17     | 2003                     | Committee of Disputes                  |
| Maharashtra Sales Tax Act       | Sales Tax / VAT | 2,465.62  | 1995-2008                | Commissioner Appeals                   |

10. Even after considering the effects of quantified qualifications, in our opinion, the Corporation does not have accumulated losses. The Corporation has not incurred cash loss during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year. *However, the effect of resolution and quantification of matters reported / of un-quantified qualifications and others reported in -the main Audit Report, which may in some cases be significant, have not been taken into consideration, as the amounts are not ascertainable.*

11. Based on our audit procedures and as per the information and explanations given to us by the management, the Corporation has no dues towards banks, financial institutions or debenture holders, and, hence, provisions of Clause 4(xi) of the Order are not applicable to the Corporation.

12. According to the information and explanations given to us and based on the documents and records produced to us, the Corporation has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Corporation is not a chit fund or a Nidhi Mutual Benefit Fund / Society.
14. According to the information and explanations given to us, the Corporation is not dealing in shares, securities and other investments. The investments in the shares of subsidiary companies are held by the Corporation in its own name and are not traded.
15. Except for a guarantee of ₹ 331.44 lakh (including interest) provided against loans obtained by a subsidiary company in the earlier year, and which is continuing, the Corporation has not given guarantees during the year for loans taken by others from banks or financial institutions. Further, the terms and conditions on which the corporation had given guarantees for loans taken by others from bank or financial institutions are not prima facie prejudicial to the interest of the Corporation.
16. Based on information and explanations given to us by the management, no term loans have been raised by the Corporation during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Corporation, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Corporation has not made any allotment of shares during the year under audit; hence this clause is not applicable to the Corporation.
19. The Corporation has not issued any debentures; hence this clause is not applicable to the Corporation.
20. The Corporation has not raised money by public issues during the year under audit; hence this clause is not applicable to the Corporation.
21. During the course of our examination of the books and records of the Corporation, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Corporation, noticed or reported during the year, nor have we been informed of such case by the management.

For V.K. Verma & Co.  
Chartered Accountants  
(FRN.000386N)

Vivek Kumar  
(Partner)  
Place: New Delhi  
Date: 14.08.2014  
Membership No. 503826

## Accounts (Standalone) for the Year 2013-14



## Balance Sheet as at 31st March, 2014

| Particulars                           | Note | (₹ in lakh)        |                    |
|---------------------------------------|------|--------------------|--------------------|
|                                       |      | As at<br>31.3.2014 | As at<br>31.3.2013 |
| <b>I. EQUITY AND LIABILITIES</b>      |      |                    |                    |
| <b>(1) Shareholders' Funds</b>        |      |                    |                    |
| Share Capital                         | 2    | 8,576.94           | 8,576.94           |
| Reserves and Surplus                  | 3    | 23,039.61          | 22,599.13          |
| Money Received against Share Warrants |      | -                  | -                  |
| Deferred Government Grants            |      | 4.73               | 5.07               |
| <b>(2) Non-Current Liabilities</b>    |      |                    |                    |
| Long-Term Borrowings                  | 4    | -                  | -                  |
| Other Long-Term Liabilities           | 6    | 584.28             | 880.80             |
| Long-Term Provisions                  | 7    | 4,277.41           | 4,560.02           |
| <b>(3) Current Liabilities</b>        |      |                    |                    |
| Short-Term Borrowings                 | 8    | -                  | -                  |
| Trade Payables                        | 9    | 4,580.37           | 5,197.63           |
| Other Current Liabilities             | 10   | 16,031.64          | 14,248.94          |
| Short-Term Provisions                 | 7    | 1,444.85           | 710.79             |
| <b>TOTAL</b>                          |      | <b>58,539.83</b>   | <b>56,779.32</b>   |
| <b>II. ASSETS</b>                     |      |                    |                    |
| <b>(1) Non-Current Assets</b>         |      |                    |                    |
| <b>Fixed Assets</b>                   |      |                    |                    |
| Tangible Assets in Active Use         | 11   | 5,183.36           | 5,737.56           |
| Tangible Assets Not in Active Use     | 11A  | 11.88              | 10.97              |
| Intangible Assets                     | 12   | 26.36              | 47.43              |
| Capital Work-in-Progress              | 12A  | 276.00             | 133.98             |
| Non-Current Investments               | 13   | 1,111.48           | 810.60             |
| Deferred Tax Assets (Net)             | 5    | 2,611.02           | 2,511.25           |
| Long-Term Loans and Advances          | 14   | 358.40             | 332.51             |
| Other Non-Current Assets              | 15   | 95.82              | 41.46              |
| <b>(2) Current Assets</b>             |      |                    |                    |
| Inventories                           | 16   | 1,301.51           | 1,032.61           |
| Trade Receivables                     | 17   | 8,179.05           | 10,249.96          |
| Cash and Cash Equivalents             | 18   | 29,180.38          | 25,180.04          |
| Short-Term Loans and Advances         | 14A  | 8,831.72           | 8,927.98           |
| Other Current Assets                  | 19   | 1,372.85           | 1,762.97           |
| <b>TOTAL</b>                          |      | <b>58,539.83</b>   | <b>56,779.32</b>   |

### Significant Accounting Policies

Note Nos. 1 to 32 form an Integral Part of these Financial Statements

(V.K. Jain) Company Secretary  
(P.K. Aggrawal) Vice President (F&A)  
(Trinath Behera) Director (Finance)

(Dr. Sameer Sharma) Managing Director

As per our Report of even date  
For V. K. Verma & Co.  
Chartered Accountants (FRN 000386N)

Date : 14th August, 2014  
Place : New Delhi

(Vivek Kumar)  
Partner  
(M.No. 503826)

## Statement of Profit & Loss for the Year Ended 31st March, 2014

| Particulars   | Note  | (₹ in lakh)             |                         |
|---|-------|-------------------------|-------------------------|
|   |       | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
| <b>REVENUE</b>  |       |                         |                         |
| <b>I. Revenue from Operations</b>   |       |                         |                         |
| Sales of Products   | 20    | 10,094.38               | 9,008.66                |
| Sales of Services   |       | 33,612.26               | 31,833.32               |
| Other Operating Revenues  |       | 119.76                  | 160.90                  |
| <b>II. Other Income</b>   |       |                         |                         |
| <b>III. Total Revenue (I+II)</b>  |       |                         |                         |
| <b>EXPENSES</b>   |       |                         |                         |
| <b>IV. Total Expenses</b>   |       |                         |                         |
| Cost of Materials Consumed & Services Rendered  | 22    | 4,582.14                | 4,181.63                |
| Purchase of Stock-in-Trade  | 23    | 1,853.73                | 1,565.16                |
| Changes in inventories of Finished Goods and Stock-in-Trade   | 24    | (118.69)                | 54.22                   |
| Employees' Remuneration & Benefits  | 25    | 14,185.48               | 14,391.38               |
| Finance Costs   | 26    | -                       | -                       |
| Depreciation and Amortization Expense   | 11&12 | 595.77                  | 589.67                  |
| Less: Attributed to the Projects  |       | (0.19)                  | (0.19)                  |
| Operating Expenses & Other Expenses   | 27    | 24,593.47               | 22,682.45               |
| <b>V. Profit/(Loss) Before Exceptional, Extraordinary Items and Prior Period Adjustments (III-IV)</b> |       |                         |                         |
| <b>VI. Exceptional Items</b>  |       |                         |                         |
| <b>VII. Profit/(Loss) Before Extraordinary Items and Prior Period Adjustments (V-VI)</b>              |       |                         |                         |
| Prior Period Adjustments  | 29    | (63.54)                 | (31.99)                 |
| Prior Period Income   |       | 323.79                  | 203.86                  |
| Prior Period Expenses/Adjustments   |       | (387.33)                | (31.99)                 |
| <b>VIII. Profit/(Loss) Before Extraordinary Items</b>   |       |                         |                         |
| <b>IX. Extraordinary Items</b>  |       |                         |                         |
| <b>X. Profit/(Loss) Before Tax(PBT) (VIII-IX)</b>   |       |                         |                         |
| <b>XI. Tax Expense of Continuing Operations</b>   |       |                         |                         |
| Current Tax (Income Tax)  |       | (350.00)                | (220.00)                |
| Tax Written Back (Previous Year)  |       | -                       | 31.94                   |
| Current Tax (Wealth Tax)  |       | (0.68)                  | (0.71)                  |
| MAT Credit Entitlement  |       | -                       | -                       |
| Deferred Tax  | 5     | 99.77                   | (59.60)                 |
| <b>XII. Profit/(Loss) for the period from continuing operations (X-XI)</b>                            |       |                         |                         |
| <b>XIII. Profit/(Loss) from discontinuing operations</b>  |       |                         |                         |
| <b>XIV. Tax expense of discontinuing operations</b>   |       |                         |                         |
| <b>XV. Profit/(Loss) from discontinuing operations (after Tax) (XIII-XIV)</b>                         |       |                         |                         |
| <b>XVI. Profit/(Loss) for the period [Profit After Tax (PAT)] (XII+XV)</b>                            |       |                         |                         |
| <b>XVII. Earnings per equity share (in ₹)</b>   |       |                         |                         |
| (1) Basic &   |       | 1.10                    | 0.35                    |
| (2) Diluted   |       |                         |                         |

(V.K. Jain) Company Secretary  
(P.K. Aggrawal) Vice President (F&A)  
(Trinath Behera) Director (Finance)  
(Dr. Sameer Sharma) Managing Director

As per our Report of even date  
For V. K. Verma & Co.  
Chartered Accountants (FRN 000386N)

Date : 14th August, 2014  
Place : New Delhi

(Vivek Kumar)  
Partner  
(M.No. 503826)

**Note - 1**

**Significant Accounting Policies**

**1. Accounting Convention**

The Financial Statements are prepared under the historical cost convention and comply in all material aspects with generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

**2. Use of Estimates**

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions in respect of certain items that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual results/outcome could differ from estimates. Any revision in accounting estimates is recognized prospectively in the period in which such results do materialize.

**3. Disputed Income Tax and Sales Tax Demands**

The disputed Income Tax and

Sales Tax demands in respect of assessments completed and against which appeals have been filed are disclosed by way of contingent liability and are charged to accounts in the year of settlement.

**4. Fixed Assets and Depreciation**

**A) Fixed Assets**

i) Fixed assets are valued at cost of acquisition, net of 'Grant-in-aid' where applicable.

ii) Fixed Assets retired from active use and held for disposal are stated at the lower of book value and/or net realizable value and are shown separately in the financial statements. Loss determined, if any, is recognized in the Profit & Loss Statement.

iii) In cases where receipts/scrutiny of final bills of the contractors/suppliers, settlement of the rates to be paid for extra items and price escalation etc. are pending, the capitalization is effected provisionally, based on value of work completed as certified by Project Engineers. Difference, if any, is proposed to be accounted for in the year in which the final bills are settled.

iv) Intangible Assets (Software) are stated at their cost of acquisition.

**B) Depreciation**

Depreciation on fixed assets is provided pro-rata, on Straight Line Method on the following rates:

i) On fixed assets existing as on 31.3.1987, at the rates already adopted in earlier years.\*

ii) On addition in the Fixed Assets during the period from 01.04.1987 to 15.12.1993, at the pre-revised rates as per the Schedule XIV of the Companies Act, 1956.\*\*

iii) On additions made to fixed assets from 16.12.1993 onwards, as per revised rates prescribed in Schedule XIV of the Companies Act, 1956\*\*\*

iv) On Intangible Assets (Software), cost is amortized over a period of legal right to use or 3 years, whichever is earlier.

The rates at which depreciation has been charged are given below:-

| Sl. No. | Particular              | *Straight Line Method % adopted by Corporation for |                  | **Straight Line Method % rates as per Schedule XIV of Companies Act for |                  | ***Revised Straight Line Method % rates as per Schedule XIV of Companies Act for |                  |
|---------|-------------------------|--|------------------|---|------------------|--|------------------|
|         |                         | Hotels   | Other than Hotel | Hotels  | Other than Hotel | Hotels   | Other than Hotel |
| 1       | Building and Roads      | 1.90   | 1.90             | 1.63  | 1.63             | 1.63   | 1.63             |
| 2       | Plant & Machinery       | 8.64   | 5.28             | 11.31   | 5.15             | 10.34  | 4.75             |
| 3       | Electrical Installation | 8.64   | 5.28             | 5.15  | 5.15             | 4.75   | 4.75             |
| 4       | Lifts                   | 8.64   | 5.28             | 11.31   | 11.31            | 10.34  | 10.34            |
| 5       | Kitchen Equipment       | 8.64   | 5.28             | 11.31   | 5.15             | 10.34  | 4.75             |

|    |   |               |               |       |       |       |       |
|----|---|---------------|---------------|-------|-------|-------|-------|
| 6  | Sound System & Musical Instruments          | 8.64          | 5.28          | 11.31 | 5.15  | 10.34 | 4.75  |
| 7  | Furniture, Fixture & Furnishing             | 9.50 to 31.67 | 9.50 to 31.67 | 5.15  | 3.34  | 9.50  | 6.33  |
| 8  | Office and Miscellaneous Equipment          | 8.64          | 5.28          | 5.15  | 5.15  | 4.75  | 4.75  |
| 9  | Computers                                   | -             | -             | 16.21 | 16.21 | 16.21 | 16.21 |
| 10 | Coolers & Refrigerator                      | 8.64          | 5.28          | 11.31 | 5.15  | 10.34 | 4.75  |
| 11 | Air Conditioners (Both Plant & Window Type) | 8.64          | 5.28          | 5.15  | 5.15  | 4.75  | 4.75  |
| 12 | Vehicles (Staff Car & Scooters, etc.)       | 10.56         | 10.56         | 7.07  | 7.07  | 9.50  | 9.50  |
| 13 | Transport Vehicles                          | -             | 16.21         | -     | 16.21 | -     | 16.21 |
| 14 | Sanitary Installation                       | 8.64          | 5.28          | 11.31 | 5.15  | 10.34 | 4.75  |
| 15 | Assets Costing below ₹ 5000                 | -             | -             | -     | -     | 100%  | 100%  |

\*\*\*Assets costing ₹ 5,000/- and below are charged 100% Depreciation except in case of New Project where the Depreciation at respective rates are charged, keeping in view the nature of Corporation's activities.

**5. Investments**

Long term investments are stated at cost. Provision for diminution in value of each investment, if any, is made to recognize the decline, other than of temporary nature.

**6. Valuation of Inventories**

Stocks and stores including stock of crockery, cutlery, glassware and linen etc., in hand as well as in circulation are valued at cost on FIFO basis or realizable value whichever is less.

**7. Execution of Projects for Clients**

i) Value of work done in respect of projects executed including cost plus/deposit/ turnkey/ project management work are shown in the accounts at best estimates by the management after deduction for likely

rejections, if any, by the client.

- ii) Indirect costs are treated as “period costs” and are charged to Profit & Loss Account in the year of incurrence.

#### 8. Provision, Contingent Liabilities and Contingent Assets

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of sources.
- ii) Where as a result of past events, there is a possible obligation that may, but probably will not, require any outflow of resources, no provision is recognized but appropriate disclosure is made in the notes.
- iii) Contingent assets are neither recognized nor disclosed in the financial statements.

#### 9. Employees Benefits

##### A) Provident Fund

Company’s contributions to Provident Fund are charged to Profit & Loss Account.

##### B) Gratuity

- i) Provision for Gratuity is made on the basis of Actuarial Valuation.

- ii) Contribution towards Gratuity scheme is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement. As per the terms of its scheme, LIC settles the claim for the full value of the Gratuity paid by the Company to its employees, as and when such a payment is made.

##### C) Leave Encashment

The provision for leave encashment is made on the basis of actuarial valuation.

#### 10. Deferred Taxation

- i) Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with the Accounting Standard (AS-22).
- ii) Deferred Tax Asset is recognized, subject to consideration of prudence, only to the extent that there is reasonable certainty that sufficient taxable profits will be available against which such Deferred Tax Assets can be realized. In situations where the Company has any unabsorbed depreciation or

carry forward tax losses, Deferred Tax Assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

- iii) Deferred Tax Assets and Liabilities are measured at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.

#### 11. Government Grant

- i) The Government grant received for upgradation of properties is recognized as income from the year in which respective properties are upgraded and to the extent grant related costs incurred i.e. written off as depreciation, revenue expenditure each year.
- ii) The balance of Government Grant to the extent not adjusted as at the close of the year, is carried in the financial statements as ‘Deferred Government Grant’ after ‘Reserves & Surplus.’

#### 12. Revenue Recognition

- i) Income from Projects is recognized on the percentage of completion method

including in respect of cost plus/deposit/turnkey/project management work. In terms of this method, revenue is recognized in proportion to the actual costs incurred as against the total estimated cost of project under execution. The determination of revenues under this method involves making estimates, some of which are of technical nature, concerning, where relevant, the percentages of completion, costs of completion (including cost of rejection), expected revenues etc.

- ii) Income from services rendered in respect of projects /license fees/Management fee are accounted for (exclusive of service tax) as per terms of the agreement. However, where such service charges/fees are not realised in cash for significant period the accrual thereof is postponed to be accounted for on receipt.
- iii) Revenue from sales (net of returns and discounts) is recognized on transfer of substantial risks and rewards to the customers. Sales Tax and Value Added Tax are excluded.
- iv) Interest income, other than management fees income/ interest on loans and advances from subsidiary companies which are accounted for on



receipt basis or on receipt of Tax deduction certificate because of liquidity problem in those companies referred to in (ii) above, and income from investments are accounted for on accrual basis at the contracted rates and/or at the time of establishment of right to receive respectively.

- v) Interest/Damages on overdue amounts recoverable from licensees are accounted for on realization basis.

### 13. Foreign Currency Transactions

#### a) Transactions in Foreign Exchange

##### i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

##### iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on recording/reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise. Exchange differences on liabilities relating to fixed assets acquired from outside India are added to the cost of such assets.

#### b) Money Changing Business

- i) The transactions concluded during the period are recorded based on the actual rate realized.
- ii) Foreign currency balances as at close of the year are converted at the year end rates.
- iii) Income from money changing business as reflected in the accounts is net of cost of sale of currency.

### 14. Borrowing Costs

- i) Borrowing Costs if any, that are directly attributable to the acquisition/construction

of qualifying assets are capitalized as part of the cost of the respective assets.

- ii) Other borrowing costs are expensed in the year in which they are incurred.

### 15. Prior Period/Extraordinary Items

- i) All prior period items which are material and which arise in the current period as a result of 'errors or omissions' in the preparation of prior period's financial statements are separately disclosed in the current Statement of Profit & Loss. However, differences in actual income/expenditure

arising out of over or under estimation' in prior period are not treated as prior period income/expenditure.

- ii) All extraordinary items, i.e. gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.

### 16. Claims

Supplementary claims including insurance claims are accounted for on acceptance/receipt basis.

## Share Capital

Note - 2

Authorised, Issued, Subscribed and Paid-up Share Capital and Par Value Per Share

| Particulars  | (₹ in lakh)        |                    |
|--|--------------------|--------------------|
|  | As at<br>31.3.2014 | As at<br>31.3.2013 |
| <b>Authorised Share Capital</b>  |                    |                    |
| 15,00,00,000 Equity Shares of ₹ 10/- each<br>(Previous year 15,00,00,000 Equity Shares of ₹ 10/- each) | 15,000.00          | 15,000.00          |
|  | 15,000.00          | 15,000.00          |
| <b>Issued &amp; Subscribed Share Capital</b>   |                    |                    |
| 8,57,69,400 Equity Shares of ₹ 10/- each<br>(Previous year 8,57,69,400 Equity Shares of ₹ 10/- each)   | 8,576.94           | 8,576.94           |
|  | 8,576.94           | 8,576.94           |
| <b>Paid-up Share Capital</b>   |                    |                    |
| 8,57,69,400 Equity Shares of ₹ 10/- each<br>(Previous year 8,57,69,400 Equity Shares of ₹ 10/- each)   | 8,576.94           | 8,576.94           |
| <b>Total</b>   | <b>8,576.94</b>    | <b>8,576.94</b>    |

15,238 Equity Shares of ₹ 100 each (since converted into 1,52,380 equity shares of ₹ 10 each) were allotted as fully paid-up pursuant to the Amalgamation Order (1966) under Section 396 of Companies Act, 1956.

75,000 Equity Shares of ₹ 100 each (since converted into 7,50,000 equity shares of ₹ 10 each) were allotted as fully paid-up in consideration for transfer of ownership of some properties.

contd.....

Reconciliation of number of Equity Shares outstanding at the beginning and at end of the year

| Particulars  | (In Nos.)          |                    |
|--|--------------------|--------------------|
|  | As at<br>31.3.2014 | As at<br>31.3.2013 |
| Number of Shares outstanding as at beginning of the year   | 8,57,69,400        | 8,57,69,400        |
| Add:   |                    |                    |
| Number of Shares allotted as fully paid-up-bonus Shares during the year  | -                  | -                  |
| Number of Shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash | -                  | -                  |
| Number of Shares allotted to employees pursuant to ESOPs/ESPs  | -                  | -                  |
| Number of Shares allotted for cash pursuant to public issue  | -                  | -                  |
|  | 8,57,69,400        | 8,57,69,400        |
| Less:  |                    |                    |
| Number of Shares bought back during the year   | -                  | -                  |
| Number of Shares outstanding as at end of the year   | 8,57,69,400        | 8,57,69,400        |

Rights, Preferences and Restrictions (including restrictions on distribution of dividends and repayment of capital) attached to the class of Shares

| Particulars  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
|  | Class of<br>Shares | Class of<br>Shares |
| The Company has one class of Equity shares having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | Equity Shares      | Equity Shares      |

contd.....

Shares in the Company held by each Shareholder holding more than 5% Equity Shares

| Particular                 | As at 31.3.2014       |                           | As at 31.3.2013       |                           |
|----------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|                            | Number of Shares Held | Percentage of Shares Held | Number of Shares Held | Percentage of Shares Held |
| i) President of India      | 7,46,41,681           | 87.030                    | 7,90,00,500           | 92.108                    |
| ii) Indian Hotels Co. Ltd. | 67,50,275             | 7.870                     | 67,50,275             | 7.870                     |

Reserves and Surplus

Note - 3  
(₹ in lakh)

| Particulars  | As at 31.3.2014  | As at 31.3.2013  |
|--|------------------|------------------|
| <b>Capital Reserve</b>                               |                  |                  |
| As per Last Balance Sheet                            | 23.54            | 23.54            |
| <b>Securities Premium Reserve</b>                    |                  |                  |
| As per Last Balance Sheet                            | 5,475.00         | 5,475.00         |
| Addition During The Year                             | -                | -                |
|  | 5,475.00         |                  |
| <b>General Reserve</b>                               |                  |                  |
| As per Last Balance Sheet                            | 17,095.42        | 16,795.42        |
| Add/(Less): Current Year Adjustments                 | 400.00           | 300.00           |
| Closing Balance                                      | 17,495.42        | 17,095.42        |
| <b>Surplus in the Statement of Profit &amp; Loss</b> |                  |                  |
| As per Last Balance Sheet                            | 5.17             | 5.49             |
| Transfer From Profit & Loss Accounts                 | 942.21           | 299.68           |
| Surplus For The Year                                 | 947.38           | 305.17           |
| <b>Appropriations/Adjustments</b>                    |                  |                  |
| Proposed Dividend                                    | 428.85           | -                |
| Dividend Tax   | 72.88            | -                |
| Transfer to General Reserve                          | 400.00           | 300.00           |
|  | 45.65            |                  |
| <b>Grand Total</b>                                   | <b>23,039.61</b> | <b>22,599.13</b> |



## Long-Term Borrowings

Note - 4

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| (A) Bonds/Debentures                                  |                    |                    |
| Secured   | -                  | -                  |
| Unsecured   | -                  | -                  |
| (B) Term Loans from Banks                             | -                  | -                  |
| (C) Term Loans from others                            | -                  | -                  |
| (D) Loans and Advances from Related Parties           | -                  | -                  |
| Secured   | -                  | -                  |
| Unsecured   | -                  | -                  |
| (E) Public Deposits (Unsecured)                       | -                  | -                  |
| (F) Long-Term Maturities of Finance Lease Obligations | -                  | -                  |
| Total   | -                  | -                  |

## Deferred Tax Assets (Net)

Note - 5

(₹ in lakh)

| Particulars               | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---------------------------|--------------------|--------------------|
| DEFERRED TAX LIABILITIES  | -                  | -                  |
| DEFERRED TAX ASSETS       | 2,611.02           | 2,511.25           |
| DEFERRED TAX ASSETS (Net) | <u>2,611.02</u>    | <u>2,511.25</u>    |

### Notes

Accounting for Taxes on Income -  
Accounting Standard - 22 - Deferred Tax:

The major components of Deferred Tax Asset (net)  
as on 31.3.2014 are given below:-

(₹ in lakh)

| Particulars   | 31.3.2014       | 31.3.2013       |
|---|-----------------|-----------------|
| DEFERRED TAX LIABILITIES  |                 |                 |
| Depreciation  | 471.63          | 577.58          |
| DEFERRED TAX ASSETS   |                 |                 |
| Carried forward Business Loss                                     | -               | 119.18          |
| Provision for Leave Encashment                                    | 1,240.00        | -               |
| Provision for Gratuity  | 271.22          | 410.30          |
| Provision for Doubtful Debts & Advances &<br>Inventory write down | 1,329.65        | 1,284.11        |
| Disallowances under Income Tax Act, 1961                          | 241.78          | 1,275.24        |
|   | <u>3,082.65</u> | <u>3,088.83</u> |
| DEFERRED TAX ASSET (NET)  | <u>2,611.02</u> | <u>2,511.25</u> |

As required by Accounting Standard -22, the Deferred Tax Assets/Liabilities were reviewed by the management, based on the advice of tax consultants, and in view of sufficient taxable profits in the current year and the expectation that future taxable profits will be available for realisation of the Deferred Tax Asset and accordingly the above Deferred Tax Asset (Net) up to 31.3.2014 has been recognised in the financial statements.

## Other Long-Term Liabilities

Note - 6

(₹ in lakh)

| Particulars                        | As at 31.3.2014 | As at 31.3.2013 |
|------------------------------------|-----------------|-----------------|
| Security Deposit & Retention Money | 584.28          | 880.80          |
| <b>Total</b>                       | <b>584.28</b>   | <b>880.80</b>   |

## Provisions

Note - 7

(₹ in lakh)

| Particulars   | As at 31.3.2014 |                 |                 | As at 31.3.2013 |               |                 |
|---|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|
|   | Long Term       | Short Term      | Total           | Long Term       | Short Term    | Total           |
| <b>Employee Benefits</b>                              |                 |                 |                 |                 |               |                 |
| Gratuity  | 6,484.59        | 1,457.26        | 7,941.85        | 6,574.61        | 1,166.89      | 7,741.50        |
| Less:- Fund size of Investment as per Gratuity Policy | (5,686.64)      | (1,457.26)      | (7,143.90)      | (5,367.50)      | (1,166.89)    | (6,534.39)      |
| Leave Encashment                                      | 3,441.17        | 589.08          | 4,030.25        | 3,311.33        | 483.96        | 3,795.29        |
| Sick Leave  | 38.29           | 3.36            | 41.65           | 41.58           | 6.12          | 47.70           |
|   | <b>4,277.41</b> | <b>592.44</b>   | <b>4,869.85</b> | <b>4,560.02</b> | <b>490.08</b> | <b>5,050.10</b> |
| <b>Income Tax</b>                                     |                 |                 |                 |                 |               |                 |
| Provision for Income Tax                              | -               | 350.00          | 350.00          | -               | 220.00        | 220.00          |
|   | -               | 350.00          | 350.00          | -               | 220.00        | 220.00          |
| <b>Wealth Tax</b>                                     |                 |                 |                 |                 |               |                 |
| Provision for Wealth Tax                              | -               | 0.68            | 0.68            | -               | 0.71          | 0.71            |
|   | -               | 0.68            | 0.68            | -               | 0.71          | 0.71            |
| <b>Proposed Dividend</b>                              |                 |                 |                 |                 |               |                 |
| Proposed Dividend                                     | -               | 428.85          | 428.85          | -               | -             | -               |
| Dividend Tax  | -               | 72.88           | 72.88           | -               | -             | -               |
|   | -               | 501.73          | 501.73          | -               | -             | -               |
| <b>Total</b>  | <b>4,277.41</b> | <b>1,444.85</b> | <b>5,722.26</b> | <b>4,560.02</b> | <b>710.79</b> | <b>5,270.81</b> |

## Short-Term Borrowings

Note - 8

(₹ in lakh)

| Particulars                                 | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| (A) Loans Repayable on Demand               |                    |                    |
| Secured                                     | -                  | -                  |
| Unsecured                                   | -                  | -                  |
| (B) Loans and Advances from Related Parties |                    |                    |
| Secured                                     | -                  | -                  |
| Unsecured                                   | -                  | -                  |
| (C) Public Deposits (Unsecured)             | -                  | -                  |
| <b>Total</b>                                | <b>-</b>           | <b>-</b>           |

## Trade Payables

Note - 9

(₹ in lakh)

| Particulars    | As at<br>31.3.2014 | As at<br>31.3.2013 |
|----------------|--------------------|--------------------|
| <b>Current</b> |                    |                    |
| Trade Payables | 4,580.37           | 5,197.63           |
| <b>Total</b>   | <b>4,580.37</b>    | <b>5,197.63</b>    |

## Other Current Liabilities

Note - 10

(₹ in lakh)

| Particulars                                  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
| Sundry Creditors (Other than Trade Payables) | 3,803.48           | 4,421.34           |
| Security Deposits & Retention Money          | 2,817.73           | 2,718.09           |
| Advances From Customers                      | 6,292.31           | 5,250.34           |
| Other Liabilities                            | 3,118.12           | 1,859.17           |
| <b>Total</b>                                 | <b>16,031.64</b>   | <b>14,248.94</b>   |

### Notes:-

- Rental agreement with Life Insurance Corporation of India (LIC) expired on 25.07.2005 is pending renewal. Pending finalisation of terms and conditions and execution of new lease deed, the Corporation has paid the rent @ ₹ 135/- per sq. feet w.e.f 26-07-2010 (After the expiry of five years from 25-07-2005) as per MoU with LIC along with service tax w.e.f 01-06-2007 as per decision and as demanded by LIC. However, the Corporation has not acknowledged the demand of interest by LIC on late payment of the rent @ 12% p.a.
- Sundry creditors include unlinked receipts from customers etc. of ₹ 46.49 lakh (Previous year ₹ 55.73 lakh) which could not be linked to respective customer accounts, for want of adequate details.

## Tangible Assets in Active Use

Note - 11

(₹ in lakh)

| Sl. No. | Description                  | Gross Block      |                          |   |                  | Provided during the year | Depreciation     |   | Impairment       |                  | Net Carrying Amount      |                          |                  |                  |
|---------|------------------------------|------------------|--------------------------|---|------------------|--------------------------|------------------|---|------------------|------------------|--------------------------|--------------------------|------------------|------------------|
|         |                              | Up to 31.03.2013 | Addition during the year | Add/(Less): Sales, Transfer, Write Offs and Adjustments during the year | Up to 31.03.2014 |                          | Up to 31.03.2013 | Add/(Less): Sales, Transfer, Write Offs and Adjustments during the year | Up to 31.03.2014 | As at 31.03.2013 | Reversed during the year | Provided during the year | Up to 31.03.2014 | As at 31.03.2014 |
| 1.      | Land                         |                  |                          |   |                  |                          |                  |   |                  |                  |                          |                          |                  |                  |
|         | Owned (FreeHold)             | 20.60            | -                        | -   | 20.60            | 2.25                     | -                | ***2.25   | -                | -                | -                        | -                        | 18.35            | 18.35            |
|         | Leased                       | 326.60           | -                        | -   | 326.60           | 33.34                    | 3.43             | 74.88   | *111.65          | -                | -                        | -                        | 214.95           | 293.26           |
| 2.      | Buildings-Owned              | 2,611.08         | 0.87                     | 0.18  | **2,612.13       | 1,443.54                 | 43.10            | 10.84   | 1,497.48         | -                | -                        | -                        | 1,114.65         | 1,167.54         |
| 3.      | Plant & Equipment-Owned      | 6,871.07         | 167.71                   | (13.48)   | 7,025.30         | 4,092.08                 | 325.76           | 0.80  | 4,418.64         | -                | -                        | -                        | 2,606.66         | 2,778.99         |
| 4.      | Furniture & Fixtures-Owned   | 2,802.55         | 23.52                    | (1.77)  | 2,824.30         | 1,927.58                 | 111.73           | 111.52  | 2,150.83         | -                | -                        | -                        | 673.47           | 874.97           |
| 5.      | Vehicles-Owned               | 189.42           | -                        | (41.68)   | 147.74           | 133.19                   | 14.55            | (35.24)   | 112.50           | -                | -                        | -                        | 35.24            | 56.23            |
| 6.      | Office Equipment-Owned       | 1,436.41         | 60.11                    | (5.61)  | 1,490.91         | 888.19                   | 74.22            | 8.46  | 970.87           | -                | -                        | -                        | 520.04           | 548.22           |
|         | <b>Total</b>                 | <b>14,257.73</b> | <b>252.21</b>            | <b>(62.36)</b>  | <b>14,447.58</b> | <b>8,520.17</b>          | <b>572.79</b>    | <b>171.26</b>   | <b>9,264.22</b>  | <b>-</b>         | <b>-</b>                 | <b>-</b>                 | <b>5,183.36</b>  | <b>5,737.56</b>  |
|         | <b>Previous Year's Total</b> | <b>14,181.07</b> | <b>289.09</b>            | <b>(212.43)</b>   | <b>14,257.73</b> | <b>8,079.57</b>          | <b>565.45</b>    | <b>(124.85)</b>   | <b>8,520.17</b>  | <b>-</b>         | <b>-</b>                 | <b>-</b>                 | <b>5,737.56</b>  | <b>-</b>         |

\* This represents amortization of leasehold land.

\*\* Includes staff quarters of value of ₹ 194.03 lakh ( Previous year ₹ 194.03 lakh ).

However, this figure does not include value of staff quarters at some units, as the cost could not be ascertained separately.

\*\*\* Includes amortisation of leasehold residential flats at Headquarters before their conversion into Freehold.

- Tangible Assets other than Leasehold land are owned by the Corporation.

### Notes:-

- Terms of purchase/lease of land having not been finalised and registration of title deeds/execution of lease deeds having not been effected, liability towards cost/lease rent, ground rent and registration fee, etc., has not been created in respect of Hotel Patliputra Ashok at Patna, Ashok Institute of Hospitality and Tourism Management (AIH&TM) and Tennis Court at New Delhi.
- Lease deeds/title deeds have not yet been executed in favour of the Corporation in respect of land at Hotel Samrat and Office Premises in Scope at New Delhi.
- Lease deed in respect of land of Ashok Hotel, New Delhi is registered in the name of erstwhile Ashoka Hotels Limited, which was merged with the Corporation on 28th March, 1970
- Registration of title deeds in favour of the Corporation have not been effected in respect of:-
  - Land and building of Taj Restaurant at Agra
  - Land at Gulmarg
- Lease deed in respect of Hotel Jammu Ashok was expired on 11.01.2010, pending renewal of the same liability towards lease rent etc. has not been provided.
- Pending finalisation of cost and adjustment thereof, capitalisation of Land, Building, Furniture & Fixtures and Equipment of retained Travellers Lodges, Restaurants and Hotel taken over from Ministry of Tourism, has been effected based on the payments made.
- Pending receipt/ scrutiny of final bills of the contractors/suppliers, settlement of the rates for extra items and escalation etc., the capitalisation and/ or charge to expenditure to the extent of ₹ 1,745.63 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 1,624.52 lakh). Adjustments, if any, to cost is proposed to be carried out upon final settlement of the bills.



**Tangible Assets not in Active Use**

**Note - 11-A**

(₹ in lakh)

| Particulars   | Gross Block     |                          |  |                      | Depreciation    |                           |  |  | Net Carrying Amount               |                                      |                      |
|---|-----------------|--------------------------|--|----------------------|-----------------|---------------------------|--|--|-----------------------------------|--------------------------------------|----------------------|
|   | Up to 31.3.2013 | Addition during the year | Add/(Less): Sales, Transfers, Write-Offs and Adjustments during the year | Cost as on 31.3.2014 | Up to 31.3.2013 | Additions during the year | Add/(Less): Sales, Transfers, Write-Offs and Adjustments during the year | Accumulated Depreciation up to 31.3.2014 | Depreciated Value as on 31.3.2014 | Net Realisable Value as on 31.3.2014 | Balance Provided For |
| <b>A. Net Realisable Value is more than Depreciated Value</b>   |                 |                          |  |                      |                 |                           |  |  |                                   |                                      |                      |
| Plant & Equipment-Owned   | 92.69           | 8.88                     | (5.80)   | 95.77                | 86.13           | 8.21                      | (5.16)   | 89.18                                    | 6.59                              | 6.59                                 | -                    |
| Furniture & Fixtures-Owned                                      | 22.55           | 0.06                     | (15.50)  | 7.11                 | 21.43           | 0.06                      | (14.75)  | 6.74                                     | 0.37                              | 0.37                                 | -                    |
| Vehicles-Owned  | 3.93            | 9.71                     | -  | 13.64                | 3.74            | 8.13                      | -  | 11.87                                    | 1.77                              | 1.77                                 | -                    |
| Office Equipment-Owned  | 11.25           | 1.32                     | (9.19)   | 3.38                 | 9.82            | 1.08                      | (8.32)   | 2.58                                     | 0.80                              | 0.80                                 | -                    |
| <b>Total-A</b>  | <b>130.42</b>   | <b>19.97</b>             | <b>(30.49)</b>   | <b>119.90</b>        | <b>121.12</b>   | <b>17.48</b>              | <b>(28.23)</b>   | <b>110.38</b>                            | <b>9.53</b>                       | <b>9.53</b>                          | <b>-</b>             |
| <b>B. Net Realisable Value is less than Depreciated Value:-</b> |                 |                          |  |                      |                 |                           |  |  |                                   |                                      |                      |
| Plant & Equipment-Owned   | 26.16           | 0.19                     | -  | 26.35                | 16.96           | 0.13                      | -  | 17.09                                    | 9.26                              | 1.72                                 | 7.54                 |
| Furniture & Fixtures-Owned                                      | 0.76            | -                        | 15.50  | 16.26                | 0.72            | -                         | 14.75  | 15.47                                    | 0.79                              | 0.25                                 | 0.54                 |
| Vehicles-Owned  | -               | -                        | -  | -                    | -               | -                         | -  | -  | -                                 | -                                    | -                    |
| Office Equipment-Owned  | 1.57            | -                        | 9.19   | 10.76                | 1.01            | -                         | 8.32   | 9.33                                     | 1.43                              | 0.38                                 | 1.05                 |
| <b>Total-B</b>  | <b>28.49</b>    | <b>0.19</b>              | <b>24.69</b>   | <b>53.37</b>         | <b>18.69</b>    | <b>0.13</b>               | <b>23.07</b>   | <b>41.89</b>                             | <b>11.48</b>                      | <b>2.35</b>                          | <b>9.13</b>          |
| <b>Total (A+B)</b>  | <b>158.91</b>   | <b>20.16</b>             | <b>(5.80)</b>  | <b>173.27</b>        | <b>139.81</b>   | <b>17.61</b>              | <b>(5.16)</b>  | <b>152.26</b>                            | <b>21.01</b>                      | <b>11.88</b>                         | <b>9.13</b>          |
| Previous Year   | 149.93          | 8.98                     | -  | 158.91               | 132.35          | 7.46                      | -  | 139.81                                   | 19.10                             | 10.97                                | 8.13                 |

Intangible Assets

Note - 12

(₹ in lakh)

| Sl. No. | Description           | Gross Block      |  |                           |                  | Provided during the year | Accumulated Amortisation |                  | Accumulated Impairment |                          | Net Carrying Amount      |                  |                  |                  |
|---------|-----------------------|------------------|--|---------------------------|------------------|--------------------------|--------------------------|------------------|------------------------|--------------------------|--------------------------|------------------|------------------|------------------|
|         |                       | As at 31.03.2013 | Additional adjustments during the year | Deduction during the year | As at 31.03.2014 |                          | As at 31.03.2013         | As at 31.03.2014 | As at 31.03.2013       | Reversed during the year | Provided during the year | As at 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| 1.      | Goodwill              |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| 2.      | Brands/Trade Marks    |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| 3.      | Computer Software     |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| -       | Acquired              | 94.67            | 1.91                                   | -                         | 96.58            | 22.98                    | -                        | 70.22            | -                      | -                        | -                        | -                | 26.36            | 47.43            |
| -       | Internally Generated  |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| 4.      | Mastheads             |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| 5.      | Mining Rights         |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| 6.      | Copyrights            |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| -       | Acquired              |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| -       | Internally Generated  |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| 7.      | Patents               |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| -       | Acquired              |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
| -       | Internally Generated  |                  |  |                           |                  |                          |                          |                  |                        |                          |                          |                  |                  |                  |
|         | <b>Total</b>          | <b>94.67</b>     | <b>1.91</b>                            | <b>-</b>                  | <b>96.58</b>     | <b>22.98</b>             | <b>-</b>                 | <b>70.22</b>     | <b>-</b>               | <b>-</b>                 | <b>-</b>                 | <b>-</b>         | <b>26.36</b>     | <b>47.43</b>     |
|         | Previous Year's total | 50.88            | 43.09                                  | 0.70                      | 94.67            | 22.41                    | 24.22                    | 0.61             | 47.24                  | -                        | -                        | -                | 47.43            | -                |

## Capital Work-in-Progress

Note - 12A

(₹ in lakh)

| Particulars  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
| I) Work-in-Progress (at cost) including construction material lying at site and fixed assets not put to use, value of work done & material supplied by the contractors/suppliers | 348.53             | 230.85             |
| II) Expenses attributable on Projects Pending Allocation   | 119.06             | 114.60             |
| III) Capital Goods-in-Hand & in Transit  | 30.14              | 7.38               |
|  | 497.73             | 352.83             |
| Less:- Provision for Impairment  | (221.73)           | (218.85)           |
| <b>TOTAL</b>   | <b>276.00</b>      | <b>133.98</b>      |

### Notes:-

1. Expenses attributed to projects pending allocation are as follows: -

(₹ in lakh)

| Particulars                        | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| Opening Balance                    | 114.60       | 113.86        |
| Add:-                              |              |               |
| Other Project Overheads            | 23.33        | 19.22         |
| Depreciation/Amortisation of Lease | 0.19         | 0.19          |
| Less: Capitalised during the year  | (19.06)      | (18.67)       |
| Closing Balance                    | 119.06       | 114.60        |

2. Capital work-in-progress includes expenditure attributable to projects, to be apportioned to various projects upon their completion.

## Non-Current Investments

Note - 13

(₹ in lakh)

| Particulars  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
| <b>Non-Trade Investments</b>   |                    |                    |
| <b>A. Trade (Unquoted) in Subsidiary Companies*</b>  |                    |                    |
| <b>(i) Investments in Equity Instruments</b>   |                    |                    |
| Utkal Ashok Hotel Corporation Ltd.<br>11,90,000 (P.Y. 11,90,000) Equity Shares of ₹ 10 Each  | 119.00             | 119.00             |
| Ranchi Ashok Bihar Hotel Corporation Ltd.<br>24,988 (P.Y. 3,652) fully paid-up Equity Shares of ₹ 1,000 each                               | 249.88             | 36.52              |
| Madhya Pradesh Ashok Hotel Corporation Ltd.<br>8,160 (P.Y. 8,160) fully paid-up Equity Shares of ₹ 1,000 each                              | 81.60              | 81.60              |
| Assam Ashok Hotel Corporation Ltd.<br>5,100 (P.Y. 5,100) fully paid-up Equity Shares of ₹ 1,000 each                                       | 51.00              | 51.00              |
| Pondicherry Ashok Hotel Corporation Ltd.<br>8,160 (P.Y. 3,060 ) fully paid-up Equity Shares of ₹ 1,000 each                                | 81.60              | 30.60              |
| Donyi Polo Ashok Hotel Corporation Ltd.<br>50,896 (P.Y. 50,896) fully paid-up Equity Shares of ₹ 100 each                                  | 50.90              | 50.90              |
| Punjab Ashok Hotel Company Ltd.<br>12,75,000 (P.Y. 12,75,000) fully paid-up Equity Shares of ₹ 10 each                                     | 127.50             | 127.50             |
|  | 761.48             | 497.12             |
| Less:- Provision for diminution in value of Investment in Ranchi Ashok Bihar Hotel Corporation Ltd.**                                      | -                  | (36.52)            |
|  | 761.48             | 460.60             |
| <b>(ii) Investments in Preference Shares*</b>  |                    |                    |
| Utkal Ashok Hotel Corporation Limited<br>35,00,000 (P.Y. 35,00,000) 14% Non-cumulative Preference Share ₹ 10 Each Redeemable on 30-03-2017 | 350.00             | 350.00             |
| <b>B. Shares in Joint Venture Company(Trade Unquoted)</b>  |                    |                    |
| ITDC Aldeasa India Private Limited **<br>5,000 (P.Y. 5,000) fully paid-up Equity Shares of ₹ 10/- each                                     | 0.50               | 0.50               |
| Less:- Provision for diminution in value of Investment   | 0.50               | 0.50               |
|  | -                  | -                  |
| <b>C. Others (Trade Unquoted)</b>  |                    |                    |
| 1. Delhi Maida Consumers Co-operative Society Limited, Delhi<br>One Equity ordinary share of ₹ 25/- Each*****                              | -                  | -                  |
| 2. Investment in Partnership Firms<br>ITDC Showtime  |                    |                    |
| Opening Balance  | -                  | 3.14               |
| Add: Share of Profit   | -                  | -                  |
| Less Amount Received during the year   | -                  | (3.14)             |
| <b>TOTAL</b>   | <b>1,111.48</b>    | <b>810.60</b>      |

\* The Shares are not transferable without the consent of Co-promoters within ten years. Even after ten years Shares can not be transferred to private parties.

\*\* The Corporation had, for the purpose of running of the Duty Free Trade in India, established on 18/09/2007 a Joint Venture Company (JV) in collaboration with M/s Aldeasa of Spain vide agreement dated 10/07/2007. In terms of the JV agreement, the Corporation and Aldeasa were to equally contribute funds to the JV towards capital and accordingly the Corporation has, being a promoter subscriber, recorded an investment to the extent of ₹ 50,000 (5,000 equity shares of ₹ 10 each) in the joint venture, though the share certificates remained to be received from the JV Company. The share of profit from the partnership amounting to ₹ 1.85 lakh (Pre.Year (0.21) lakh) has been recognised during the year.

\*\*\*\*\* Investment worth ₹ 25/- has been taken as NIL due to rounding off.

Investments in the Ranchi Bihar Ashok Hotel Corporation as indicated above include 21336 Equity Shares of ₹ 1,000/- each acquired during the year against the amount of ₹ 208.00 lakh paid by the Corporation in the earlier years (included in the loans and advances) against the bid for the property of Ranchi Ashok Bihar Hotel Corporation Limited which was attempted to be taken over by the Financial Institution due to non repayment of loan and interest by the subsidiary Corporation and ₹ 5.36 lakh paid during the year.

**Notes:-**

Investment ₹ 1,060.58 lakh (Previous Year ₹ 729.10 lakh) in some of the above subsidiary companies, have been evaluated at cost despite significant accumulated losses. The Corporation is accounting for income from these companies since 2008-09 (viz.management fees & interest on loans given) to actual realisation / to the extent of deposit of taxes deducted at source in view of the repayment not being commensurate with the amount charged to them. The accounts recoverables as listed above have, however, been considered good of recovery keeping in view of the long term relationship with those companies and the intrinsic value of the assets held by the companies.

**Long-Term Loans and Advances**

**Note - 14**

(₹ in lakh)

| Particulars                                   | As at 31.3.2014 | As at 31.3.2013 |
|---|-----------------|-----------------|
| <b>A) Security Deposits</b>                   |                 |                 |
| Secured, considered good                      | 1.89            | 1.89            |
| Unsecured, considered good                    | 195.54          | 169.65          |
| Doubtful                                      | 26.06           | 25.76           |
| Less: Allowance for bad and doubtful advances | (26.06)         | (25.76)         |
| <b>Total (A)</b>                              | <b>197.43</b>   | <b>171.54</b>   |
| <b>(B) Others</b>                             |                 |                 |
| Secured, considered good                      | -               | -               |
| Unsecured, considered good                    | 160.97          | 160.97          |
| Doubtful                                      | -               | -               |
| Less: Allowance for bad and doubtful advances | -               | -               |
| <b>Total (B)</b>                              | <b>160.97</b>   | <b>160.97</b>   |
| <b>TOTAL [(A)+(B)]</b>                        | <b>358.40</b>   | <b>332.51</b>   |



## Short Term Loans & Advances

Note - 14A

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| <b>(A) Loans and Advances to Related Parties</b>  |                    |                    |
| Secured, considered good  | -                  | -                  |
| Unsecured, considered good  | 979.00             | 1,153.50           |
| Doubtful  | -                  | 41.80              |
| Less: Allowance for bad and doubtful advances   | -                  | (41.80)            |
| <b>Total (A)</b>  | <b>979.00</b>      | <b>1,153.50</b>    |
| <b>(B) Loans and Advances Due by Directors or Officers of the Company or any of them either severally or jointly with others or by Firms or Private Companies respectively in which any Director is a Partner or a Director or Member</b> |                    |                    |
| Secured, considered good  | -                  | -                  |
| Unsecured, considered good  | 3.72               | 8.81               |
| Doubtful  | -                  | -                  |
| Less: Allowance for bad and doubtful advances   | -                  | -                  |
| <b>Total (B)</b>  | <b>3.72</b>        | <b>8.81</b>        |
| <b>(C) Others</b>   |                    |                    |
| Secured, considered good  | 0.51               | 0.99               |
| Unsecured, considered good  | 1,759.67           | 1,895.35           |
| Doubtful  | -                  | -                  |
| Less: Allowance for bad and doubtful advances   | -                  | -                  |
| <b>Total (C)</b>  | <b>1,760.18</b>    | <b>1,896.34</b>    |
| <b>(D) Advance Income Tax and Tax Deducted at source</b>  | <b>6,021.10</b>    | <b>5,866.06</b>    |
| <b>Total (D)</b>  | <b>6,021.10</b>    | <b>5,866.06</b>    |
| <b>(E) Sales Tax paid in Advance</b>  | <b>67.72</b>       | <b>3.27</b>        |
| <b>Total (E)</b>  | <b>67.72</b>       | <b>3.27</b>        |
| <b>TOTAL [(A)+(B)+(C)+(D)+ (E)]</b>   | <b>8,831.72</b>    | <b>8,927.98</b>    |

Notes:-

1. Loans and Advances includes ₹ 979.00 lakh (net) (Previous year ₹ 1,153.50 lakh- net) in respect of following subsidiary companies.

| Name of the Company                          | Current Year  | Previous Year   |
|--|---------------|-----------------|
| i) Assam Ashok Hotel Corporation Ltd.        | 74.96         | 70.29           |
| ii) Donyi Polo Ashok Hotel Corporation Ltd.  | (1.22)        | (1.34)          |
| iii) MP Ashok Hotel Corporation Ltd.         | 229.90        | 260.23          |
| iv) Pondicherry Ashok Hotel Corporation Ltd. | 22.77         | 23.47           |
| v) Ranchi Ashok Bihar Hotel Corporation Ltd. | 40.12         | 249.79          |
| vi) Utkal Ashok Hotel Corporation Ltd.*      | 584.32        | 565.23          |
| vii) Punjab Ashok Hotel Company Ltd.         | 28.15         | 27.62           |
| <b>Total</b>                                 | <b>979.00</b> | <b>1,195.29</b> |
| Less: Provision made                         | -             | (41.79)         |
| <b>Net</b>                                   | <b>979.00</b> | <b>1,153.50</b> |

(\* Non-operational w.e.f 31.03.2004)

2. Loans and Advances include the following:-

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Advances due from Directors and officers of the Corporation                       | 3.72         | 8.81          |
| Maximum amount due from Directors and officers of the Corporation during the year | 11.42        | 33.90         |

## Other Non-Current Assets

Note - 15

| Particulars  | (₹ in lakh)     |                 |
|--|-----------------|-----------------|
|  | As at 31.3.2014 | As at 31.3.2013 |
| <b>(A) Long-Term Trade Receivables other than Current (including trade receivables on deferred credit terms)</b> |                 |                 |
| Secured, considered good   | 9.51            | 9.41            |
| Unsecured, considered good   | 86.31           | 31.63           |
| Doubtful   | 3,279.24        | 3,188.44        |
| Less: Allowance for bad and doubtful advances  | (3,279.24)      | (3,188.44)      |
| <b>Total (A)</b>   | <b>95.82</b>    | <b>41.04</b>    |
| <b>(B) Others</b>  |                 |                 |
| Secured, considered good   | -               | -               |
| Unsecured, considered good   | -               | 0.42            |
| Doubtful   | 445.18          | 445.72          |
| Less: Allowance for bad and doubtful advances  | (445.18)        | (445.72)        |
| <b>Total (B)</b>   | <b>-</b>        | <b>0.42</b>     |
| <b>TOTAL [(A)+(B)]</b>   | <b>95.82</b>    | <b>41.46</b>    |

## Inventories

Note - 16

| Particulars  | (₹ in lakh)     |                 |
|--|-----------------|-----------------|
|  | As at 31.3.2014 | As at 31.3.2013 |
| (As per inventories prepared, valued and certified by the Management at lower of the cost or net realisable value) |                 |                 |
| Stores and Spares  | 266.18          | 262.10          |
| Tools  | 0.49            | 0.38            |
| Crockery, Cutlery, Glassware and Linen etc. (in hand and in use)   | 242.76          | 263.08          |
| Other Stocks and Stores (Others)   | 713.24          | 539.66          |
| Goods - in- Transit  | 120.50          | -               |
| Less:- Provision for Inventory Write Down  | (41.66)         | (32.61)         |
| <b>Total</b>   | <b>1,301.51</b> | <b>1,032.61</b> |

## Trade Receivables

Note - 17

| Particulars  | (₹ in lakh)     |                  |
|--|-----------------|------------------|
|  | As at 31.3.2014 | As at 31.3.2013  |
| <b>1. Current Trade Receivables</b>  |                 |                  |
| <b>(A) Trade Receivables outstanding for more than six months from the date they became due for payment:</b> |                 |                  |
| (i) Secured, considered good   | 45.74           | 58.35            |
| (ii) Unsecured, considered good  | 2,466.03        | 4,970.20         |
| (iii) Doubtful   | 49.02           | 16.80            |
| Less: Allowance for bad and doubtful debts   | (49.02)         | (16.80)          |
| <b>TOTAL (A)</b>   | <b>2,511.77</b> | <b>5,028.55</b>  |
| <b>(B) Trade Receivables (others)</b>  |                 |                  |
| (i) Secured, considered good   | 75.12           | 396.53           |
| (ii) Unsecured, considered good  | 5,592.16        | 4,824.88         |
| (iii) Doubtful   | 176.36          | 26.75            |
| Less: Allowance for bad and doubtful debts   | (176.36)        | (26.75)          |
| <b>TOTAL (B)</b>   | <b>5,667.28</b> | <b>5,221.41</b>  |
| <b>TOTAL {A+B}</b>   | <b>8,179.05</b> | <b>10,249.96</b> |

Notes:-

1. Trade Receivables include ₹ 335.70 (net) (Previous year ₹ 259.12 lakh-net) in respect of following Subsidiary companies:

| Name of the Company                       | (₹ in lakh)   |               |
|---|---------------|---------------|
|   | Current Year  | Previous Year |
| Assam Ashok Hotel Corporation Ltd.        | 106.43        | 106.43        |
| Donyi Polo Ashok Hotel Corporation Ltd.   | -             | -             |
| MP Ashok Hotel Corporation Ltd.           | 77.84         | 77.84         |
| Pondicherry Ashok Hotel Corporation Ltd.  | 50.30         | 50.30         |
| Ranchi Ashok Bihar Hotel Corporation Ltd. | 76.58         | 76.58         |
| Utkal Ashok Hotel Corporation Ltd.*       | 24.55         | 24.55         |
| Punjab Ashok Hotel Company Ltd.           | -             | -             |
| <b>Total</b>                              | <b>335.70</b> | <b>335.70</b> |
| Less: Provision made                      | -             | 76.58         |
| <b>Net</b>                                | <b>335.70</b> | <b>259.12</b> |

(\* Non-operational w.e.f 31.03.2004)

2. Trade receivables include the following:-

| Particulars   | (₹ in lakh)  |               |
|---|--------------|---------------|
|   | Current Year | Previous Year |
| Debts due from Directors and officers of the Corporation                          | 0.17         | 0.16          |
| Maximum amount due from Directors and officers of the Corporation during the year | 0.23         | 0.16          |

## Cash and Cash Equivalents

Note - 18

(₹ in lakh)

| Particulars                                       | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| (A) Cash on hand                                  |                    |                    |
| Cash on hand                                      | 32.87              | 27.32              |
| (B) Balances with Banks                           |                    |                    |
| In Current Account                                | 2,250.78           | 2,921.48           |
| In Savings Account                                | 0.70               | -                  |
| Provision for Doubtful Recovery                   | -                  | -                  |
| (C) Cheques, Drafts in hand                       |                    |                    |
| Cheques in hand                                   | 309.33             | 356.51             |
| Drafts in hand                                    | -                  | -                  |
| (D) Other Bank Balances                           |                    |                    |
| Term deposits with Banks for Less than 12 months* | 26,581.69          | 21,832.38          |
| Term deposits with Banks for more than 12 months  | 5.01               | 42.35              |
| <b>TOTAL</b>                                      | <b>29,180.38</b>   | <b>25,180.04</b>   |

\* Include FDR's of ₹ 35.95 lakh (Previous year ₹ 35.95 lakh) lodged as security

## Other Current Assets

Note - 19

(₹ in lakh)

| Particulars                                   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| Interest accrued but not due on Term Deposits | 1,103.74           | 980.70             |
| Others  | 269.11             | 782.27             |
| Less: Allowance for bad and doubtful advances | -                  | -                  |
| <b>TOTAL</b>                                  | <b>1,372.85</b>    | <b>1,762.97</b>    |

Note:-

Others include FDRs ₹ 1.58 lakh deposited with RPFC Jaipur.

## Revenue from Operations

Note - 20

| Particulars   | (₹ in lakh)          |                      |
|---|----------------------|----------------------|
|   | Year Ended 31.3.2014 | Year Ended 31.3.2013 |
| <b>Sales of Products (A)</b>                          |                      |                      |
| Food  | 6,331.19             | 5,640.96             |
| Beer, Wine & Spirits                                  | 2,148.12             | 1,807.69             |
| Cigars and Cigarettes                                 | 9.94                 | 135.17               |
| Soft Drinks   | 276.40               | 255.55               |
| Petrol, oil & Lubricant                               | 1,287.61             | 1,030.15             |
| Tourist Literature and Other Publications             | 31.40                | 68.09                |
| Miscellaneous Sales                                   | 9.72                 | 71.05                |
| <b>Total (A)</b>                                      | <b>10,094.38</b>     | <b>9,008.66</b>      |
| <b>Sales of Services (B)</b>                          |                      |                      |
| Room Rent   | 10,761.91            | 11,354.55            |
| Licence Fees  | 5,272.62             | 4,669.59             |
| Banquet Hall/Lawn Rental                              | 904.21               | 927.79               |
| Traffic Earnings & Package Tours                      | 1,202.51             | 1,465.26             |
| Travel Services                                       | 11,067.05            | 9,150.09             |
| Management/Consultancy/Event Management/Training Fees | 2,154.48             | 2,578.44             |
| Revenue From Execution of Project                     | 1,219.75             | 626.95               |
| Son-et-Lumiere & Cultural Shows                       | 81.52                | 87.29                |
| Commission Received                                   | 30.19                | 37.75                |
| Electricity Charges                                   | 458.12               | 394.53               |
| Telephone Services                                    | 5.95                 | 15.59                |
| Advertisement Income                                  | 94.38                | 154.84               |
| Service Charges                                       | 359.57               | 370.65               |
| <b>Total (B)</b>                                      | <b>33,612.26</b>     | <b>31,833.32</b>     |
| <b>Other Operating Revenues (C)</b>                   |                      |                      |
| Miscellaneous Income                                  | 119.76               | 160.90               |
| <b>Total (C)</b>                                      | <b>119.76</b>        | <b>160.90</b>        |
| <b>TOTAL (A)+(B)+(C)</b>                              | <b>43,826.40</b>     | <b>41,002.88</b>     |

**Note:-**

Pending execution of fresh Licence Agreements, income from Licence fees (from continuing licensees) has been accounted for on provisional basis and/or based on the earlier licence agreements.

## Other Income

Note - 21

| Particulars  | (₹ in lakh)          |                      |
|--|----------------------|----------------------|
|  | Year Ended 31.3.2014 | Year Ended 31.3.2013 |
| <b>Other Income</b>                                |                      |                      |
| Interest (Gross) From-Banks/Financial Institutions | 2,376.82             | 2,359.94             |
| Loan to Employees                                  | 0.63                 | 0.67                 |
| On Income Tax Refund                               | -                    | 10.78                |
| Others   | 139.82               | 24.61                |
| Profit on Sale of Assets                           | 4.36                 | 1.84                 |
| Gain on Foreign Exchange Variation                 | 13.69                | 33.23                |
| Grant from the Ministry of Tourism                 | 0.34                 | 0.34                 |
| Others   | 596.25               | 629.31               |
| <b>Total</b>                                       | <b>3,131.91</b>      | <b>3,060.72</b>      |

**Note:-**

Out of the balance amount of ₹ 5.07 lakh (Previous year ₹ 9.91 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 0.34 lakh incurred during the year (Previous year 0.34 lakh) has been charged to the respective head of expenditure. The amount equivalent to the grant related cost incurred during the year has accordingly been recognised as income. The balance of ₹ 4.73 lakh (previous year ₹ 5.07 lakh) at the close of the year has been presented in the accounts as Deferred Government grant below Reserve and Surplus.



## Cost of Material Consumed and Services Rendered

Note - 22

(₹ in lakh)

| Particulars  | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|--|-------------------------|-------------------------|
| <b>(A) Cost of Consumption of Raw Materials,<br/>Other Materials Sold and Service Rendered</b> |                         |                         |
| i) Provisions, Beverages & Smokes  |                         |                         |
| Opening Stock  | 95.96                   | 70.11                   |
| Add:- Purchases & Adjustments  | 2,083.44                | 2,033.36                |
| Less:- Transfer & Adjustments  | 269.48                  | 328.95                  |
| Closing Stock  | 82.78                   | 95.96                   |
| <b>TOTAL (i)</b>   | <b>1,827.14</b>         | <b>1,678.56</b>         |
| ii) Wine & Liquors   |                         |                         |
| Opening Stock  | 148.91                  | 219.02                  |
| Add:- Purchases & Adjustments  | 630.55                  | 181.21                  |
| Less:- Transfer & Adjustments  | 113.66                  | 34.21                   |
| Closing Stock  | 337.99                  | 148.91                  |
| <b>TOTAL (ii)</b>  | <b>327.81</b>           | <b>217.11</b>           |
| iii) Other Materials   |                         |                         |
| Opening Stock  | -                       | -                       |
| Add:- Purchases & Adjustments  | 24.55                   | 50.64                   |
| Less:- Transfer & Adjustments  | -                       | -                       |
| Closing Stock  | -                       | -                       |
| <b>TOTAL (iii)</b>   | <b>24.55</b>            | <b>50.64</b>            |
| <b>TOTAL ( i+ii+iii) (A)</b>   | <b>2,179.50</b>         | <b>1,946.32</b>         |
| <b>(B) Cost of Service Rendered/Purchased:-</b>  |                         |                         |
| - Execution of Project   | 1,139.30                | 524.82                  |
| - Other Services   | 1,278.57                | 1,724.07                |
| <b>TOTAL (B)</b>   | <b>2,417.87</b>         | <b>2,248.89</b>         |
| <b>TOTAL (A+B)</b>   | <b>4,597.37</b>         | <b>4,195.20</b>         |
| Less: Charged to the<br>Ministry of External Affairs   | (15.23)                 | (13.57)                 |
| <b>GRAND TOTAL</b>   | <b>4,582.14</b>         | <b>4,181.63</b>         |

Note:-

Cost of consumption of Raw material, other materials sold and services rendered includes cost of food consumed by operational staff at catering establishments (amount not ascertained).

## Purchases of Traded Goods

Note - 23

(₹ in lakh)

| Particulars                       | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|-----------------------------------|-------------------------|-------------------------|
| i) Provisions, Beverages & Smokes | 8.66                    | 35.84                   |
| ii) Wine & Liquors                | 583.62                  | 498.26                  |
| iii) Other Material               | 1,261.45                | 1,031.06                |
| <b>TOTAL</b>                      | <b>1,853.73</b>         | <b>1,565.16</b>         |

## Change in Inventory of Traded Goods

Note - 24

(₹ in lakh)

| Particulars                       | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|-----------------------------------|-------------------------|-------------------------|
| <b>(A) OPENING STOCK</b>          |                         |                         |
| i) Provisions, Beverages & Smokes | 2.33                    | 36.94                   |
| ii) Wine & Liquors                | 260.20                  | 240.40                  |
| iii) Other Material               | 31.74                   | 71.15                   |
| <b>TOTAL</b>                      | <b>294.27</b>           | <b>348.49</b>           |
| <b>(B) CLOSING STOCK</b>          |                         |                         |
| i) Provisions, Beverages & Smokes | -                       | 2.33                    |
| ii) Wine & Liquors                | 375.12                  | 260.20                  |
| iii) Other Material               | 37.84                   | 31.74                   |
| <b>TOTAL</b>                      | <b>412.96</b>           | <b>294.27</b>           |
| <b>(C) CHANGE IN INVENTORY</b>    | <b>(118.69)</b>         | <b>54.22</b>            |
|                                   | <b>(118.69)</b>         | <b>54.22</b>            |

## Employees' Remuneration & Benefits

### Note - 25

(₹ in lakh)

| Particulars   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|---|-------------------------|-------------------------|
| Salaries, Wages & Bonus   | 11,764.70               | 11,703.90               |
| Employer's Contribution to Provident & Other Funds                    | 990.60                  | 942.20                  |
| Staff Welfare Expenses (including contribution to Staff Welfare Fund) | 849.59                  | 818.45                  |
| Uniform   | 52.27                   | 50.39                   |
| Provision/Contribution to Employees' Gratuity Scheme (net)            | 769.84                  | 1,106.77                |
|   | 14,427.00               | 14,621.71               |
| <b>Less:-</b>   |                         |                         |
| Charged to the Projects of the Ministry of Tourism                    | 56.01                   | 61.91                   |
| Charged to the Ministry of External Affairs                           | 185.51                  | 168.42                  |
| <b>Total</b>  | <b>14,185.48</b>        | <b>14,391.38</b>        |

#### Notes:-

- The disclosure relating to AS-15 (Revised) - Employees Benefits:-
  - Provident Fund - 12% of Basic (including dearness pay) plus Dearness Allowance, contributed to Recognised Provident Fund
  - Leave Encashment - Payable on separation to eligible employees who have accumulated earned leave
  - Gratuity- Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service for 5 years or more. Maximum limit is ₹ 10.00 lakh.

In terms of Accounting Standard 15 (Revised) on Employees Benefits, the following disclosure sets out the status as required:-

(₹ in lakh)

| Particulars  | Gratuity   | Leave<br>Encashment | Half Pay<br>Leave |
|--|------------|---------------------|-------------------|
| <b>Fair Value of Defined Obligation</b>                        |            |                     |                   |
| Present Value of projected benefit obligation as at 1.04.2013  | 7,741.50   | 3,795.29            | 47.70             |
| Current service cost   | 301.90     | 189.71              | 5.51              |
| Interest cost  | 696.74     | 341.58              | 4.29              |
| Actuarial gain (-) / losses (+)                                | 241.65     | (296.33)            | (15.85)           |
| Past service cost  | -          | -                   | -                 |
| Benefits paid  | (1,039.94) | -                   | -                 |
| Present value of projected benefit obligation as on 31.03.2014 | 7,941.85   | 4,030.25            | 41.65             |

(₹ in lakh)

| Particulars  | Gratuity        | Leave<br>Encashment | Half Pay<br>Leave |
|--|-----------------|---------------------|-------------------|
| <b>Reconciliation of Fair Value of Assets and Obligations</b>                                  |                 |                     |                   |
| Fair value of plan assets as on 1.04.2013  | 6,534.39        | -                   | -                 |
| Acquisition adjustment   | -               | -                   | -                 |
| Expected return on plan assets   | 615.51          | -                   | -                 |
| Actual Company's contribution  | 1,190.98        | -                   | -                 |
| Actuarial gain (-) / losses (+)  | (145.06)        | -                   | -                 |
| Benefits paid/adjustments  | (1,051.92)      | -                   | -                 |
| Fair value of plan assets as on 31.03.2014   | 7,143.90        | -                   | -                 |
| Present value of defined obligation  | 7,941.85        | 4,030.25            | 41.65             |
| Net liability recognised in the Balance Sheet (Note-7)   | 797.95          | 4,030.25            | 41.65             |
| <b>Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31.03.2014</b> |                 |                     |                   |
| Current service cost   | 301.90          | 189.71              | 5.51              |
| Interest cost  | 696.74          | 341.58              | 4.29              |
| Actuarial gain (-) / losses (+)  | 386.71          | (296.33)            | (15.85)           |
| Past service cost  | -               | -                   | -                 |
| Expected return on plan assets   | (615.51)        | -                   | -                 |
| Employees' Remuneration & Benefit charged to Profit & Loss A/c                                 |                 |                     |                   |
| a) Gratuity  | 769.84          | -                   | -                 |
| b) Others  | -               | 234.96              | (6.05)            |
| <b>Gratuity Fund Investment Details (Fund manager wise, to the extent funded)</b>              |                 |                     |                   |
| Life Insurance Corporation of India  | 1,525.63        | -                   | -                 |
| Life Insurance Corporation of India  | 2,092.32        | -                   | -                 |
| Metlife Traditional Fund   | 532.84          | -                   | -                 |
| Metlife Unit Linked  | 264.60          | -                   | -                 |
| AVIVA Life Insurance Company India Ltd.  | 559.48          | -                   | -                 |
| HDFC Standard Life Insurance   | 284.79          | -                   | -                 |
| Birla Sun-life Insurance Fund  | 603.17          | -                   | -                 |
| Future Generali India Fund   | 1,281.07        | -                   | -                 |
| <b>Total</b>   | <b>7,143.90</b> | <b>-</b>            | <b>-</b>          |

(₹ in lakh)

| Particulars                   | Gratuity                | Leave Encashment        | Half Pay Leave     |
|-------------------------------|-------------------------|-------------------------|--------------------|
| <b>Actuarial assumption</b>   |                         |                         |                    |
| Discount rate                 | 9.00% per annum         | 9.00% per annum         | 8.00% per annum    |
| Mortality rate                | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate | LIC 94-96 Ultimate |
| Withdrawal rate (18-30 years) | 0.00% p.a.              | 0.00% p.a.              | 0.00% p.a.         |
| Withdrawal rate (31-44 years) | 1.00% p.a.              | 1.00% p.a.              | 1.00% p.a.         |
| Withdrawal rate (44-58 years) | 3.00% p.a.              | 3.00% p.a.              | 3.00% p.a.         |
| Expected rate of return       | 9.00% p.a.              | 9.00% p.a.              | 8.00% p.a.         |
| Future salary increase        | 5.00% p.a.              | 5.00% p.a.              | 5.00% p.a.         |
| Retirement age                | 58 years                | 58 years                | 58 years           |

## Finance Cost

## Note - 26

(₹ in lakh)

| Particulars               | Year Ended 31.3.2014 | Year Ended 31.3.2013 |
|---------------------------|----------------------|----------------------|
| Interest paid on Advances | -                    | -                    |
| Other Borrowing Cost      | -                    | -                    |
| <b>TOTAL</b>              | -                    | -                    |

## Operating and Other Expenses

## Note - 27

(₹ in lakh)

| Particulars   | Year Ended 31.3.2014 | Year Ended 31.3.2013 |
|---|----------------------|----------------------|
| <b>TRAVELLING AND CONVEYANCE</b>                                      |                      |                      |
| (a) Directors   | 28.28                | 18.07                |
| (b) Officers & Staff  | 145.65               | 138.33               |
| (c) Staff Car Expenses  | 82.67                | 84.92                |
|   | 256.60               |                      |
| <b>RENT, RATES, TAXES AND INSURANCE</b>                               |                      |                      |
| (a) Rent  | 699.14               | 970.23               |
| (b) Rates & Taxes   | 302.84               | 1,218.65             |
| (c) Insurance   | 104.08               | 97.59                |
|   | 1,106.06             |                      |
| <b>REPAIRS &amp; MAINTENANCE</b>                                      |                      |                      |
| (a) Plant and Machinery   | 611.51               | 360.35               |
| (b) Buildings   | 427.13               | 503.49               |
| (c) Vehicles  | 5.82                 | 9.43                 |
| (d) Others  | 1,333.09             | 1,144.31             |
|   | 2,377.55             |                      |
| <b>Auditors' Remuneration (Including Branch Auditors)</b>             |                      |                      |
| (a) Audit fees  | 19.47                | 26.06                |
| (b) Tax audit fees  | 5.84                 | 7.76                 |
| (c) Certification   | 0.51                 | 0.51                 |
| (d) Taxation Matters  | -                    | -                    |
| (e) Company Law Matters   | -                    | -                    |
| (f) Out of Pocket Expenses  | 0.45                 | 0.27                 |
|   | 26.27                |                      |
| Directors' Sitting Fees   | 0.05                 | -                    |
| Legal and Professional Charges  | 147.08               | 178.21               |
| Printing, Stationery and Periodicals                                  | 131.88               | 98.81                |
| Communication Expenses  | 109.95               | 98.24                |
| Power & Fuel  | 2,897.18             | 2,906.82             |
| Advertisement, Publicity & Sales Promotion                            | 406.21               | 606.33               |
| Entertainment   | 13.62                | 20.39                |
| Band and Music  | 59.94                | 43.71                |
| Expenses on Cultural Shows  | 8.28                 | -                    |
| Commission to Travel Agents & Credit Card Companies                   | 75.17                | 62.80                |
| Licencees' Share of Profit  | 3.09                 | 205.03               |
| Miscellaneous Expenses  | 71.05                | 67.80                |
| Upkeep, Service Cost and Other Operating Expenses                     | 14,931.53            | 12,708.89            |
| Loss on Sale of Fixed Assets/Write off of Assets                      | 0.36                 | 0.25                 |
| Loss on Collaboration Ventures  | -                    | 0.21                 |
| Depletion/Consumption & Breakage in Crockery, Cutlery & Utensils etc. | 34.91                | 41.07                |
| Reimbursement of Sale Proceeds  | 659.62               | -                    |
| Interest paid on Advances   | -                    | -                    |
| Bad Debts   | 2.11                 | 16.07                |
| Loss on Foreign Exchange Variations                                   | 1.47                 | 4.75                 |
| Advances Written Off  | 0.10                 | 3.49                 |
| Provision for Doubtful Debts & Advances                               | 449.81               | 570.85               |

|   |                  |                  |
|---|------------------|------------------|
| Provision for Impairments                                   | 3.89             | 3.25             |
| Provision for Diminution of Fixed Assets                    | -                | -                |
| Provision for Inventory Write Down/Write Off of Inventories | 9.05             | 1.23             |
| Corporate Social Responsibility                             | 8.99             | -                |
| Litigation Loss*  | 930.26           | 573.78           |
|   | <u>24,722.08</u> | <u>22,791.95</u> |
| <b>Less:-</b>   |                  |                  |
| Charged to the Projects of Ministry of Tourism              | 14.70            | 12.67            |
| Charged to the Ministry of External Affairs                 | 113.91           | 96.83            |
| Departmental Expenses Charged to ITDC Unit                  | -                | -                |
|   | <u>128.61</u>    | <u>109.50</u>    |
|   | <u>24,593.47</u> | <u>22,682.45</u> |

\* Includes ₹ 880.09 lakh being compensation awarded by double bench of Hon'ble Delhi Court vide order dated 30.05.2014 including interest and cost of ₹ 696.75 lakh to Ms. S.L. Beer, an Australian lady relating to a matter pertaining to erstwhile Akbar Hotel.

**Notes:-**

1. Expenses on Generation of Power:-

| Particulars        | (₹ In lakh)   |               |
|--------------------|---------------|---------------|
|                    | Current Year  | Previous Year |
| Salaries and Wages | 5.46          | 5.37          |
| Fuel               | 25.30         | 52.38         |
| Depreciation       | 16.06         | 15.86         |
| Repairs            | 68.93         | 32.60         |
| Others             | -             | -             |
| <b>Total</b>       | <u>115.75</u> | <u>106.21</u> |

(Above excludes expenditure incurred by some units which is not ascertainable.)

2. No separate charge is made to Repairs and Maintenance Account in respect of salaries, wages etc. of staff deployed for repairs carried out departmentally.
3. ₹ 147.06 lakh (Previous Year ₹ 349.62 lakh) spent on renovation during the year at various hotels has been segregated as relating to capital ₹ 75.35 lakh (Previous Year ₹ 80.78 lakh) and revenue expenditure ₹ 71.71 Lakh (Previous Year ₹ 268.84 lakh) based on certificate issued by the Project engineer and which have been relied upon by the auditors.

## Exceptional Items

### Note - 28

(₹ in lakh)

| Particulars                                | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|--|-------------------------|-------------------------|
| Provisions no Longer required written back | 313.85                  | 184.62                  |
| <b>Total</b>                               | <u>313.85</u>           | <u>184.62</u>           |

**Notes:-**

The Provisions/liabilities no longer required written back during the year and disclosed in Profit & Loss Account are given as under:-

(₹ in lakh)

| Particulars                                    | Current Year  | Previous Year |
|--|---------------|---------------|
| 1. Provision for Doubtful Debts and Advances   | 218.92        | 21.66         |
| 2. Depreciation                                | 18.97         | 1.04          |
| 3. Cost of Material Sold and Services Rendered | 16.97         | 5.37          |
| 4. Salaries, Wages and Benefits                | 11.63         | 23.57         |
| 5. Rates & Taxes                               | -             | 62.01         |
| 6. Repairs and Maintenance                     | 6.59          | 8.07          |
| 7. Balance with Banks                          | -             | 1.23          |
| 8. Upkeep & Service Cost                       | 2.88          | -             |
| 9. Other Operating and Administrative Expenses | 1.37          | 54.75         |
| 10. Provision for Diminution in Investments    | 36.52         | -             |
| 11. Provision for Inventory written down       | -             | 6.92          |
| 12. Communication Expenses                     | -             | -             |
| <b>Total</b>                                   | <u>313.85</u> | <u>184.62</u> |



## Prior Period Adjustments

### Note - 29

| Particulars                           | (₹ in lakh)             |                         |
|---------------------------------------|-------------------------|-------------------------|
|                                       | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
| Prior Period Income                   | (63.54)                 | (31.99)                 |
| Prior Period Expenses                 | 323.79                  | 203.86                  |
| Net Prior Period Income/(Expenditure) | (387.33)                | (235.85)                |

#### Note:-

1. Income/expenditure and adjustment relating to earlier years charged to Profit & Loss Account are as follows:-

| Particulars   | (₹ in lakh)    |                |
|---|----------------|----------------|
|   | Current Year   | Previous Year  |
| <b>Income:</b>  |                |                |
| 1. Beer Wine and Spirit Sales   | -              | -              |
| 2. Income from Services Rendered:   |                |                |
| Room rent/licence fee   | -              | 1.64           |
| Consultancy   | (47.96)        | (49.45)        |
| Service Handling Charges  | (10.80)        | -              |
| 3. Others:  |                |                |
| Employees' remuneration and benefits                                      | 0.19           | 0.41           |
| Income from hired vehicles  | 0.58           | -              |
| Cost of sales   | (1.61)         | 1.42           |
| Interest  | -              | -              |
| Miscellaneous Income  | (10.37)        | 14.05          |
| Electricity & Water Charges   | 6.43           | (0.06)         |
| <b>Total</b>  | <b>(63.54)</b> | <b>(31.99)</b> |
| <b>Expenditure:</b>   |                |                |
| 1. Cost of consumption of raw material, other materials sold and services | (11.68)        | 5.16           |
| 2. Employees remuneration and benefits                                    | 19.63          | 42.20          |
| 3. Travelling and Conveyance  | 0.05           | 2.25           |
| 4. Rent, rates, taxes and insurance                                       | 15.60          | 26.32          |
| 5. Repairs and maintenance  | 11.06          | 24.80          |
| 6. Audit Fees   | -              | 0.01           |
| 7. Legal and Professional Charges   | 4.56           | 0.21           |
| 8. Printing, Stationery and Periodicals                                   | -              | (0.06)         |
| 9. Communication Expenses   | 0.32           | 0.42           |
| 10. Power and Fuel  | 0.07           | 0.15           |
| 11. Advertisement, publicity and sales promotion                          | (6.10)         | 1.09           |

(₹ in lakh)

| Particulars  | (₹ in lakh)             |                         |
|--|-------------------------|-------------------------|
|  | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
| 12. Sundry Expenses                                      | 21.59                   | 0.25                    |
| 13. Upkeep and Service Cost and Other Operating Expenses | 20.43                   | 23.11                   |
| 14. Depreciation   | 247.87                  | 67.01                   |
| 15. Fees & Subscription                                  | 0.39                    | -                       |
| 16. Consultancy  | -                       | 10.15                   |
| 17. Freight  | -                       | 0.19                    |
| 18. Commission charges                                   | -                       | 0.60                    |
| <b>Total</b>   | <b>323.79</b>           | <b>203.86</b>           |

## Earning Per Share

### Note - 30

| Particulars   | (₹ in lakh)             |                         |
|---|-------------------------|-------------------------|
|   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
| <b>The calculation of Earning per share as per Accounting Standard - 20 is as under:-</b> |                         |                         |
| <b>BASIC &amp; DILUTED</b>  |                         |                         |
| Net (Loss)/ Profit available for Equity Shareholders (₹ in lakh)                          | 942.21                  | 299.68                  |
| Weighted Average number of Equity Share of ₹ 10/- each                                    | 8,57,69,400             | 8,57,69,400             |
| Basic earnings per share (₹)  | 1.10                    | 0.35                    |

**Note - 31**

**Contingent Liabilities and Commitments**

(₹ in lakh)

| Particulars   | Current Year         | Previous Year        |
|---|----------------------|----------------------|
| <b>A. Contingent Liabilities</b>  |                      |                      |
| (a) Claims against the Corporation not acknowledged as debts  |                      |                      |
| (i) Claims against the Corporation not acknowledged as debts [includes demands from custom authority ₹ 18,523.84 lakh (Previous Year ₹ 18,525.97 lakh) and are subjudice].  | 77,537.03            | 47,081.54            |
| (ii) Guarantees executed in favour of various authorities, banks and financial institution [including guarantees provided against loans obtained by subsidiary companies, ₹ 331.44 lakh (Previous year ₹ 312.93 lakh)].       | 484.84               | 409.46               |
| (iii) Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 17.59 lakh (Previous Year ₹ 17.59 lakh)]  | 1,200.24             | 475.54               |
| (iv) Sales Tax matters in appeal [includes ₹ 2,465.62 lakh (Previous Year ₹ 2,045.40 lakh) in respect of closed Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal/ High Court]. | 2,949.80             | 2,529.51             |
| (v) (a) Liability towards service tax (including interest thereon ) pertaining to banqueting, including catering activities, at hotels up to 31.03.2007.  | Amount unascertained | Amount unascertained |
| (b) Liability towards work contract tax (including interest thereon) pertaining to building repair work carried at units.   |                      |                      |
| <b>B. Commitments</b>   |                      |                      |
| Estimated amount of contracts remaining to be executed on capital account (net of advances and excluding escalation in rates, if any) (on completion, part of the work may result as revenue expenditure).                    | 501.98               | 70.09                |

Note No. (1): Contingent Liabilities at Sl. No. A(a) (i), A(a)(iii) & A(a)(iv) are dependent upon court decision/out of court settlement/disposal of appeal etc.

Note No. (2): Amount indicated as Contingent liability/Claims against the Corporation only reflect basic value. Legal and other costs being indeterminable at this stage are not considered.

Note No. (3): Contingent liabilities at A(a)(i) above includes ₹ 4,821.30 lakh in respect of matters under arbitration with suppliers in respect of works relating to supply of furniture and furnishing of flats on behalf of Delhi Development Authority (DDA). However, the MoU with DDA indicates that the payments of decreed amounts, if any, as decided by arbitrator, court of law will be made by DDA.

C. The Corporation had taken a property on rent from the Custodian of Enemy Property in 1965. Subsequently, the said property was released in favour of present owner by the Custodian. The owner had filed a suit for recovery of the possession of the said property. The Hon'ble High Court decided the matter in favour of the owner and the Corporation was directed to vacate the property. The Hon'ble high court also fixed the rent @ ₹ 30,000/- for the month of January 1980 only on lumpsum/adhoc basis along with interest and also appointed a Local Commissioner to determine the amount of rent for the period from 1.2.1980 till date of handing over the possession of the property. Aggrieved by the decision, a Special Leave Petition before the Hon'ble Supreme Court was filed which was dismissed by the court & upheld the earlier judgement of the Hon'ble High Court. Accordingly, the premises was vacated & possession handed over to the owner on 28.02.2007. The Local Commissioner has rejected the claim of approx ₹ 300 crore of Shri Anil Kumar Khanna & Ors on account of mesne profits and has calculated the mesne profit by taking the base rent of ₹ 9.37 per sq ft per month with the increase of 15 % every year and interest @ 12 % p.a. as mentioned in the Report. The total amount payable as per Local Commissioner order comes to

₹ 12,15,55,555/- as on February 2007 Further interest @ 12 % p.a. is payable, as per report, till the payment. Aggrieved by this decision of the local commissioner, ITDC has filed its Objections to High Court. The Owners/Plaintiffs have also filed Objections to the Report wherein they have claimed ₹ 2,96,23,97,284/- w.e.f. 01.02.1980 till the date of possession of the property i.e. 28.02.2007. The matter is listed on 28.8.2014 for arguments. Pending finalization of the matter no provision has been made in the accounts and the demand of the owner have been included under Contingent Liability A(a)(i) above.

D. M/s Airports Authority of India (AAI) and other private airport operators had levied service tax on their billings for licence fee/royalty for Duty Free Shops at various locations and Ashok Airport Restaurant w.e.f. 10.9.2004. However, the Circular dated 17.9.2004 issued by Government of India provides that the activity of renting, leasing out part of airport/civil enclave premises does not amount to rendering of services and the license fee/royalty payable in this regard is not subject to service tax. Similar views on non levying of service tax on such licence fee/royalty have also been opined by tax consultants. The issue is also under consideration by the Director General of Central Excise Intelligence. Pending clarifications, no provision has been made for the estimated liability, towards service tax for the period from 10.9.2004 to 31.3.2008 for all the ten duty free shops, which works out to ₹ 1,779.49 lakh (Previous year ₹ 1,779.49 lakh).

E. The Employees State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totalling ₹ 758.60 lakh (Previous year ₹ 730.06 lakh) towards ESI dues in respect of four hotel/catering units against which the Corporation holds a deposit of ₹ 334.85 lakh (Previous year ₹ 327.20 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing

bank accounts - ₹ 310.09 lakh and amount deposited ₹ 24.76 lakh). Against this the Corporation holds a liability of ₹ 215.43 lakh (previous year ₹ 193.41 lakh) towards ESI dues. No provision has been made for the balance of ₹ 543.17 lakh (Previous year ₹ 536.65 lakh) as the matter is subjudice and pending finality in the matter, the same has been included under Contingent Liabilities at Sl. No. A(a)(i) above.

F. The matter relating to determination of property tax was subjudice in the Hon'ble High Court of Delhi. During proceedings NDMC offered a basis for determination of property tax for assessing the hotel properties to which ITDC also agreed. Accordingly the Hon'ble High Court vide its orders dated 19.10.2010 disposed off the said petition by directing NDMC to reassess the property tax due from hotels and hotels to fully cooperate in the matter. Accordingly, The NDMC vide its assessment orders dated 31.03.2013 made the fresh assessment up to 31.03.2009 and gave a basis of determination of property tax which was agreed by ITDC.

In compliance to the assessment order, a provisional liability of ₹ 2,050.66 lakh towards property tax due for the hotel for the years up to 2008-09 have been worked out and accounted for in the accounts in earlier years. Further, hotels have adopted the same formula for determining the property tax for the years from 2009-10 to 2013-14 whereas NDMC is raising bills as per old basis i.e the basis it was following before the court orders. Since the basis of determination of property pursuant to the court order has already been agreed by NDMC and ITDC, ITDC has not accepted the demands and submitted representations to NDMC. Besides, NDMC has not made assessment for the years 2009-10 to 2013-14. Therefore, pending the final resolution in the matter, the difference of ₹ 1,282.36 lakh between the property tax demanded by NDMC (₹ 2,041.45 lakh ) and property tax admitted by ITDC (₹ 759.09 lakh ) has been disclosed as "Contingent Liabilities" under A(a)(i) above.

General Notes

Note - 32

- Confirmation of balances have not been received in most of the cases of Trade receivable, Trade payable, Loans and Advances and Deposits. Besides in a few units, balances in customers accounts are under reconciliation with the General Ledger control account balances. Effect on the accounts on due confirmation, reconciliation and adjustments thereof cannot be indicated at this stage.
- The net accumulated amount of losses - ₹ 2,507.86 lakh (Previous year ₹ 2,434.41 lakh) of subsidiary companies so far as it concerns to the Corporation, not dealt with in the accounts is as under:-

(₹ in lakh)

| Name of the Subsidiary Company               | For the period up to | Share % of Profit/Losses | Accumulated Amount of Losses/ (Profit) |
|--|----------------------|--------------------------|--|
| Assam Ashok Hotel Corporation Ltd.#          | 2013-14              | 51                       | 313.00                                 |
| Donyi Polo Ashok Hotel Corporation Ltd.#     | 2013-14              | 51                       | (68.56)                                |
| Madhya Pradesh Ashok Hotel Corporation Ltd.# | 2013-14              | 51                       | 46.83                                  |
| Pondicherry Ashok Hotel Corporation Ltd.#    | 2013-14              | 51                       | 51.43                                  |
| Punjab Ashok Hotel Company Ltd.#             | 2013-14              | 51                       | 7.04                                   |
| Ranchi Ashok Bihar Hotel Corporation Ltd.#   | 2013-14              | 51                       | 248.11                                 |
| Utkal Ashok Hotel Corporation Ltd.#@         | 2013-14              | 92                       | 1,910.01                               |
| <b>Total Net Losses</b>                      |                      |                          | <b>2,507.86</b>                        |
| <b>Previous Year Net Losses</b>              |                      |                          | <b>2,434.41</b>                        |

There is no change in the % of sharing.  
 @ Non-operational from 2003-04.  
 # AGM is yet to be convened.

- Following past practice, consumption of stocks, stores, crockery, cutlery etc.

has been worked out by adding opening balances to purchases and deducting therefrom closing balance based on physical inventories valued as per accounting policy.

- The Corporation has been managing Hotel Bharatpur Ashok and Kosi Restaurant owned by the Ministry of Tourism and the profit/loss in respect of these units is accounted for by the Corporation. in the respective notes of Statement of Profit & Loss Account.
- Company entered into an Agreement dt. 19th February,2002 with M/S Maruti Udyog Ltd. for renewal of Sub-Lease from 1st February, 2002 to 31st January, 2011 and another period of nine years thereafter subject to enhancement of rent in respect of the property comprising of Workshop cum Depot constructed on Plot No. C-119 Naraina Industrial Area Phase- I, New Delhi. As per terms of agreement the entire rent for a period of 9 years was paid by Maruti Udyog Ltd in advance. During the currency of the lease period, M/S Maruti Udyog Ltd. carried out additional construction in the said premises and in the process the Workshop cum Depot that had been let out was demolished and rendered extinct which was neither envisaged nor intended in the Sub-Lease Agreement. Therefore, a legal notice dt. 14th June, 2010 was given to Maruti Udyog Ltd. to vacate the premises w.e.f. 1.7.2010. The balance amount of advance rent lying with ITDC amounting to ₹ 25,01,849/- was accordingly returned to M/S Maruti Udyog Ltd. Applications dt. 1.7.2010 was filed by ITDC for eviction of premises and recovery of damages under Public Premises

(Eviction of Unauthorized Occupants) Act, 1971 before H'ble Estate Officer. In the meanwhile Maruti Udyog Ltd. filed a writ petition in H'ble Delhi High Court against the eviction and recovery applications of ITDC which has been dismissed by the Hon'ble High Court. Against the order of H'ble High Court Maruti Udyog Limited had filed an appeal before the Division Bench which was also simultaneously dismissed. Another Arbitration Petition had been filed by Maruti Udyog Ltd. before Hon'ble High Court for appointment of Arbitrator. Hon'ble High Court vide its order dated 29.09.2011 appointed Arbitrator with certain directions against the aforesaid order. ITDC has filed Writ Petition praying for stay of Arbitration proceedings. The matter is pending before H'ble High Court. Maruti Udyog Limited has also filed a writ petition against the order dated 29.09.2011 before the H'ble Supreme Court of India. Proceedings initiated by MUL before Hon'ble High court and Hon'ble Supreme Court have disposed off. The matter of recovery of possession and recovery of amount are now fixed for 19.08.2014. Pending legal proceedings in the matter, the premises has not yet been vacated by M/S Maruti Udyog Ltd.

- The matter relating to determination of property tax was subjudice in the Hon'ble High Court of Delhi. During proceedings NDMC offered a basis for determination of property tax for assessing the hotel properties to which ITDC also agreed. Accordingly, the Hon'ble High Court vide its orders dated 19.10.2010 disposed off the said petition by directing NDMC to reassess the property tax due from

hotels and hotels to fully cooperate in the matter. Accordingly, the NDMC vide its assessment orders dated 31.03.2013 made the fresh assessment up to 31.03.2009 and gave a basis of determination of property tax which was agreed by ITDC. In compliance to the assessment order, a provisional liability of ₹ 2,050.66 lakh towards property tax due for the hotel for the years up to 2008-09 have been worked out and accounted for in the accounts in earlier years. Further, hotel have adopted the same formula for determining the property tax for the years from 2009-10 to 2013-14 whereas NDMC is raising bills as per old basis i.e the basis it was following before the court orders. Since the basis of determination of property pursuant to the court order has already been agreed by NDMC and ITDC, ITDC has not accepted the demands and submitted representations to NDMC Besides, NDMC has not made assessment for the years 2009-10 to 2013-14. Therefore, pending the final resolution in the matter, the difference of ₹ 1,282.36 lakh between the property tax demanded by NDMC (₹ 2,041.45 lakh) and property tax admitted by ITDC (₹ 759.09 lakh) has been disclosed as "Contingent Liability"

- Disclosure in accordance with Accounting Standard - 7 - Construction Contracts

(₹ in lakh)

|  |           |
|--|-----------|
| a) Aggregate amount of Revenue recognised up to the reporting date | 14,299.70 |
| b) Aggregate cost incurred up to reporting date                    | 12,949.34 |
| c) Revenue recognised during the current financial year            | 1,219.75  |
| d) Cost incurred during the financial year                         | 1,139.30  |
| e) Total amount of funds received up to the reporting date         | 15,662.63 |



|  |          |
|--|----------|
| f) Advance due to customers up to reporting Date   | 4,489.73 |
| g) Advance due from Customers up to reporting Date | 163.02   |

8. Disclosure pursuant to Accounting Standard-17 on Segment Reporting is given in **Annexure A** to this note.
9. Disclosure of transactions with related parties as per Accounting Standard-18, to the extent applicable, is as under:-

Key Management Personnels: -

- Dr. Sameer Sharma  
Managing Director  
w.e.f. 12.05.2014
- Shri Girish Shankar  
Managing Director  
w.e.f. 23.4.2013 to 12.05.2014
- Dr. Lalit K Panwar  
Ex- C&MD  
w.e.f. 21.04.2010 to 13.06.2012
- Dr. Lalit K Panwar  
Ex- VC&MD  
w.e.f. 13.06.2012 to 23.04.2013
- Shri Ratan Kumar Okhandiar  
Director (C&M)  
w.e.f. 10.07.2012
- Shri Trinath Behera  
Director (Finance)  
w.e.f. 26.4.2013

Payment made to key management personnels and their relatives.

(Amount in ₹)

| Particular   | Current Year | Previous Year |
|--------------|--------------|---------------|
| Remuneration | 43,14,368.00 | 43,26,577.00  |

10. Disclosure in pursuance of Accounting Standard -19 on Leases:-

The Corporation's leasing arrangements are generally in respect of operating lease for premises (residential, office accommodation, and godowns etc). These leasing arrangements are not non-cancellable and are also usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals paid/payable are charged as Rent under Employees Remuneration & Benefits (Note-25) & Operating and Other Expenses (Note-27). In some of the hotel units, arrangements made with other parties to operate restaurants and other business premises are on licence basis which are also not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

11. Impairment of Assets

Impairment of Fixed Assets/ Capital Work-in-Progress at each balance sheet date and impairment loss, if any, ascertained as per Accounting Standard-28- 'Impairment of Assets' issued by the Institute of Chartered Accountants of India is recognised. As on 31st March, 2014, in the opinion of the Management except to the extent of loss recognised in respect of assets not in active use, Capital Work-in-Progress including incomplete hotel project at Gulmarg, no such impairment loss warranting recognition/provision was noticed.

12. Disclosure in pursuance to Accounting Standard - 29 - Provisions, Contingent Liabilities and Contingent Assets:

(₹ in lakh)

| Name of the Provision | Balance as on 1.4.2013 | Provided during the year relating to 2013-14 | Provided during the year relating to 2012-13 | Payments/ Adjustments during the year | Provision reversed/ written back | Closing Balance as on 31.3.2014 |
|-----------------------|------------------------|--|--|---------------------------------------|----------------------------------|---------------------------------|
| Income Tax            | 220.00                 | 350.00                                       | 0.00   | 220.00                                | 0.00                             | 350.00                          |
| Wealth Tax            | 0.71                   | 0.68   | 0.00   | 0.71                                  | 0.00                             | 0.68                            |

13. Additional information pursuant to requirements of Part II of Schedule VI of the Companies Act, 1956: -

a) Value of Imports on C.I.F. basis:-

(₹ in lakh)

| Particulars               | Current Year | Previous Year |
|---------------------------|--------------|---------------|
| i) Beer, Wine and Spirits | 552.44       | 453.80        |
| ii) Cigars and Cigarettes | 7.22         | 23.24         |
| iii) Other items          | -            | -             |
| Total                     | 559.66       | 477.04        |

b) Expenditure in Foreign Currency :-

(₹ in lakh)

| Particulars             | Current Year | Previous Year |
|-------------------------|--------------|---------------|
| i) Travelling           | 12.43        | 8.46          |
| ii) Fees & Subscription | 6.89         | 1.75          |
| Total                   | 19.32        | 10.21         |

(c) Earnings in Foreign Currency (Direct) (on receipt basis) :-

(₹ in lakh)

| Particulars                               | Current Year | Previous Year |
|---|--------------|---------------|
| i) Boarding, Lodging and Other Facilities | 677.87       | 829.21        |
| ii) Sale of Goods at Duty Free Shops      | 897.00       | 1,115.00      |
| iii) Gain in Foreign Exchange (net)       | 12.22        | 28.48         |
| Total                                     | 1,587.09     | 1,972.69      |

(d) (i) Amount due to Small Scale Industries, to the extent such parties have been identified from available information,

of more than one lakh and for a period exceeding 30 days is ₹ NIL (Previous Year ₹ NIL).

(ii) The Government of India had promulgated "The Micro, Small and Medium Enterprises Development Act, 2006". As per the said Act, the Corporation is to identify the parties and pay them interest beyond the specified period if not paid. The Corporation is in the process of identifying the suppliers. In view of this, the liability for interest could not be worked out.

(iii) The Companies (Second Amendment) Act, 2002 provides for levy of cess, towards rehabilitation/revival of sick industrial companies, which shall not be less than 0.005% but not more than 0.10% of the turnover or the gross receipts as the Central Government may from time to time specify in the Official Gazette. Since no notification has been issued, provision thereof has not been created.

14. Previous years' figures have been regrouped/rearranged wherever necessary.



**Annexure “A” to Note No. 32 {Sl. No. 8}**  
**Segment Reporting-AS-17**

(₹ in lakh)

|  | Hotel/Restaurants Operations |           | Duty Free Shops Operations |          | Travels & Tours Operations |           | ARMS & Misc. Operations |          | Construction, Consultancy & SEL Projects |            | Others     |            | Total for Company |           |
|--|------------------------------|-----------|----------------------------|----------|----------------------------|-----------|-------------------------|----------|--|------------|------------|------------|-------------------|-----------|
|  | 2013-14                      | 2012-13   | 2013-14                    | 2012-13  | 2013-14                    | 2012-13   | 2013-14                 | 2012-13  | 2013-14                                  | 2012-13    | 2013-14    | 2012-13    | 2013-14           | 2012-13   |
| <b>PRIMARY DISCLOSURE (Operation-wise)</b>   |                              |           |                            |          |                            |           |                         |          |  |            |            |            |                   |           |
| <b>1 Segment Revenue</b>   |                              |           |                            |          |                            |           |                         |          |  |            |            |            |                   |           |
| a) Total Revenue   | 26,314.34                    | 25,084.71 | 940.48                     | 1,135.17 | 13,714.21                  | 11,812.94 | 2,416.57                | 3,141.39 | 1,576.50                                 | 1,149.12   | 2,675.88   | 2,533.79   | 47,637.98         | 44,857.11 |
| b) Less Inter Segment Revenue  | 25.88                        | 26.13     | -                          | -        | 110.75                     | 107.47    | 446.57                  | 659.92   | 96.50                                    | -          | -          | -          | 679.70            | 793.52    |
| c) External Revenue  | 26,288.47                    | 25,058.58 | 940.48                     | 1,135.17 | 13,603.46                  | 11,705.47 | 1,970.00                | 2,481.47 | 1,480.00                                 | 1,149.12   | 2,675.88   | 2,533.79   | 46,958.29         | 44,063.59 |
| <b>2. Segment Results</b>  |                              |           |                            |          |                            |           |                         |          |  |            |            |            |                   |           |
| Profit/(Loss) before Interest, Tax and Overheads   | 2,879.78                     | 2,327.16  | (47.40)                    | (279.42) | (119.23)                   | (117.18)  | 293.22                  | 460.75   | (800.07)                                 | (1,195.59) | 2,676.20   | 2,533.81   | 4,882.50          | 3,729.52  |
| Less:- Allocable Corporate Overheads   |                              |           |                            |          |                            |           |                         |          |  |            | 3,689.38   | 3,181.47   | 3,689.38          | 3,181.47  |
| Less: Interest   | -                            | -         | -                          | -        | -                          | -         | -                       | -        | -  | -          | -          | -          | -                 | -         |
| Less: Provision for Income Tax   |                              |           |                            |          |                            |           |                         |          |  |            | 350.00     | 220.00     | 350.00            | 220.00    |
| Less: Provision for Wealth Tax   |                              |           |                            |          |                            |           |                         |          |  |            | 0.68       | 0.71       | 0.68              | 0.71      |
| Less: Provision for Deferred Tax   |                              |           |                            |          |                            |           |                         |          |  |            | (99.77)    | 59.60      | (99.77)           | 59.60     |
| Add: Provision for Income Tax for earlier year written back  |                              |           |                            |          |                            |           |                         |          |  |            |            | (31.94)    | -                 | (31.94)   |
| Profit/(Loss) available for appropriation  | 2,879.78                     | 2,327.16  | (47.40)                    | (279.42) | (117.18)                   | (117.18)  | 293.22                  | 460.75   | (800.07)                                 | (1,195.59) | (1,463.63) | (896.03)   | 942.21            | 299.68    |
| <b>3. Segment Assets</b><br>(Current assets plus fixed assets & WIP and Investments)                         | 13,907.78                    | 15,960.94 | 758.70                     | 662.84   | 2,392.60                   | 2,518.21  | 974.64                  | 1,164.57 | 817.54                                   | 924.77     | 37,077.53  | 33,036.73  | 55,928.80         | 54,268.06 |
| <b>4. Segment Liabilities</b>  | 16,872.45                    | 16,258.42 | 760.68                     | 661.04   | 1,815.72                   | 2,191.10  | 1,563.45                | 1,298.16 | 9,253.06                                 | 9,167.42   | (3,346.83) | (3,977.97) | 26,918.53         | 25,598.18 |
| <b>5. Depreciation &amp; amortisation in respect of Segment Assets for the period</b>                        | 550.96                       | 541.94    | 2.03                       | 1.79     | 13.87                      | 14.41     | 3.66                    | 3.80     | 1.09                                     | 1.55       | 24.16      | 26.18      | 595.77            | 589.67    |
| <b>6. Cost incurred during the period to acquire Segment Assets (Tangible &amp; intangible fixed assets)</b> | 218.69                       | 309.80    | 1.13                       | 1.94     | 2.42                       | 2.98      | 2.12                    | 3.01     | 0.12                                     | 0.47       | 27.75      | 13.97      | 252.21            | 332.17    |
| <b>7. Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment</b>        | 1,088.87                     | 1,550.93  | (2.04)                     | 3.32     | 102.43                     | 102.43    | 55.18                   | 66.28    | 7.81                                     | 119.49     | 202.74     | 230.22     | 1,454.98          | 2,072.67  |

N.B. : Secondary (Geographical) disclosure is not given, since company has no overseas operations/activities.

## Cash Flow Statement for the Year ended 31st March, 2014

(₹ in lakh)

| Particulars  |            | Year Ended<br>31.3.2014 |            | Year Ended<br>31.3.2013 |
|--|------------|-------------------------|------------|-------------------------|
| <b>A Cash Flow from Operations</b>                         |            |                         |            |                         |
| Profit before Taxation                                     |            | 1,193.12                |            | 548.05                  |
| Adjustments for:   |            |                         |            |                         |
| Depreciation   | 595.58     |                         | 589.47     |                         |
| Diminution in value of<br>Fixed Assets/Investments         | -          |                         | -          |                         |
| Deferred Government Grant                                  | (0.34)     |                         | (4.84)     |                         |
| Finance Charges  | -          |                         | -          |                         |
| Provision for Inventory Write-down                         | 9.05       |                         | 1.23       |                         |
| Provision for Doubtful Debts & Advances                    | 449.81     |                         | 570.85     |                         |
| Interest Income  | (2,517.27) |                         | (2,395.99) |                         |
| Bad Debts/Advances Written Off                             | 2.11       |                         | 16.07      |                         |
| (Profit)/Loss on Sale of Fixed Assets                      | (4.00)     | (1,465.06)              | (1.59)     | (1,224.81)              |
| <b>Operating Profit before Working<br/>Capital Changes</b> |            | (271.94)                |            | (676.76)                |
| (Increase)/Decrease in Current Assets                      |            |                         |            |                         |
| Inventories  | (277.95)   |                         | 90.77      |                         |
| Trade Receivables  | 1,618.99   |                         | 634.02     |                         |
| Other Current Assets                                       | (118.49)   |                         | 107.20     |                         |
| Other Non-current Assets                                   | (54.36)    |                         | (1.49)     |                         |
| Long-term Loans and Advances                               | (25.89)    |                         | (33.97)    |                         |
| Short-term Loans and Advances                              | 95.95      | 1,238.25                | (688.68)   | 107.85                  |
| Increase/(Decrease) in Current Liabilities                 |            |                         |            |                         |
| Trade Payables   | (617.26)   |                         | (897.54)   |                         |
| Other Current Liabilities                                  | 2,291.30   |                         | (94.21)    |                         |

(₹ in lakh)

| Particulars  |          | Year Ended<br>31.3.2014 |          | Year Ended<br>31.3.2013 |
|--|----------|-------------------------|----------|-------------------------|
| Other Long Term Liabilities  | (296.53) |                         | 336.64   |                         |
| Long Term Provision  | (282.61) |                         | 192.99   |                         |
| Short Term Provision   | 102.35   | 1,197.25                | (873.36) | (1,335.48)              |
| <b>Cash Inflow/(Outflow) from Operations</b>                       |          | 2,163.56                |          | (1,904.39)              |
| Direct Taxes Paid  | -        |                         | -        |                         |
| Income Tax Paid  | -        |                         | 600.00   |                         |
| Income Tax for Earlier years<br>Written Back                       | -        | -                       | (31.94)  | 568.06                  |
| <b>Net Cash Inflow/(Outflow)<br/>from Operation (A)</b>            |          | 2,163.56                |          | (2,472.45)              |
| <b>B Cash Flow from Investing Activities</b>                       |          |                         |          |                         |
| Purchase of Fixed Assets   |          | (252.95)                |          | (332.18)                |
| Sale of Fixed Asset and Adjustments                                |          | 16.07                   |          | 87.76                   |
| Income from Interest/Dividends                                     |          | 2,517.27                |          | 2,395.99                |
| Reduction/(Addition) of Work-in-Progress                           |          | (142.02)                |          | 177.21                  |
| (Increase)/Decrease in Investments                                 |          | (300.88)                |          | 3.13                    |
| <b>Net Cash Inflow/(Outflow) from<br/>Investing Activities (B)</b> |          | 1,837.49                |          | 2,331.92                |
| <b>C Cash Flow from Financing Activities</b>                       |          |                         |          |                         |
| Increase in Share Capital  |          | -                       |          | -                       |
| Increase/(Decrease) in Borrowings                                  |          | -                       |          | -                       |
| Finance Charges  |          | -                       |          | -                       |
| Wealth Tax Paid  |          | (0.71)                  |          | (0.58)                  |
| Dividend Paid  |          | -                       |          | (428.85)                |
| Dividend Tax Paid  |          | -                       |          | (69.57)                 |
| Deferred Government Grant  |          | -                       |          | -                       |

(₹ in lakh)

| Particulars   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|---|-------------------------|-------------------------|
| Net Cash Inflow/(Outflow) from Financing Activities (C) | (0.71)                  | (499.00)                |
| Net Change in Cash or Cash Equivalents during the Year  | 4,000.34                | (639.52)                |
| Cash and Cash Equivalents at the beginning of the year* | 25,180.04               | 25,819.56               |
| Cash and Cash Equivalents at the end of the year*       | 29,180.38               | 25,180.04               |

\* For details refer Note-18

(V.K. Jain)  
Company Secretary

(P.K. Aggrawal)  
Vice President (F&A)

(Trinath Behera)  
Director (Finance)

(Dr. Sameer Sharma)  
Managing Director

As per our Report of even date  
For V. K. Verma & Co.  
Chartered Accountants (FRN 000386N)

Date : 14th August, 2014  
Place : New Delhi

(Vivek Kumar)  
Partner  
(M.No. 503826)

## Consolidated Accounts for the Year 2013-14

## Independent Auditors' Report

### Report of the Auditors to the Board of Directors of India Tourism Development Corporation Limited on the Consolidated Financial Statements of India Tourism Development Corporation Limited, its Subsidiaries and Joint Ventures

#### Report on the Financial Statements

We have audited the attached Consolidated Balance Sheet of India Tourism Development Corporation Limited ("the company"), and its Subsidiaries and Joint Ventures (hereinafter referred to as "Group"), as at March 31, 2014 and the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the

Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We did not audit the financial statements of the following Subsidiaries and Joint Ventures of the Company, whose financial statements reflect Total Assets of ₹30,74,53,511.17 as at 31st March, 2014, Total Revenue of ₹ 22,97,10,056.28 and Net Cash Flows amounting to ₹ 3,69,22,240.98 for the year ended 31st March, 2014. These financial statements have been audited by other Auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of Subsidiaries and Joint Ventures, is based solely on the reports of the other Auditors. The details of Assets, Revenues and Net Cash Flows in respect of these Subsidiaries and Joint Ventures to the extent to which they are reflected in the Consolidated Financial Statements are given below:

(Amount in ₹)

| Name of the Company                         | Total Assets   | Total Revenues | Net Cash Flows |
|---|----------------|----------------|----------------|
| <b>Subsidiary Companies</b>                 |                |                |                |
| Madhya Pradesh Ashok Hotel Corporation Ltd. | 7,95,49,682.88 | 7,35,86,990.28 | 16,37,429.67   |
| Utkal Ashok Hotel Corporation Ltd.          | 2,45,73,823.25 | 1,03,431.00    | (-)4,35,132.00 |
| Assam Ashok Hotel Corporation Ltd.          | 5,49,27,674.00 | 8,32,53,841.00 | 45,30,032.00   |
| Donyi Polo Ashok Hotel Corporation Ltd.     | 3,49,25,168.45 | 2,78,20,138.00 | 11,30,441.31   |
| Ranchi Ashok Bihar Hotel Corporation Ltd.   | 3,93,88,485.00 | 2,35,90,066.00 | 1,85,77,670.00 |
| Pondicherry Ashok Hotel Corporation Ltd.    | 3,74,11,169.00 | 2,09,25,220.00 | 1,14,82,000.00 |

|                                 |                        |                        |                       |
|---------------------------------|------------------------|------------------------|-----------------------|
| Punjab Ashok Hotel Company Ltd. | 2,78,03,746.39         | -                      | (-)200.00             |
| <b>Joint Ventures</b>           |                        |                        |                       |
| ITDC Aldeasa India Private Ltd. | 44,36,881.10           | 2,15,185.00            | -                     |
| <b>Total</b>                    | <b>30,74,53,511.17</b> | <b>22,97,10,056.28</b> | <b>3,69,22,240.98</b> |

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21- 'Consolidated Financial Statements', and Accounting Standard (AS) 27- 'Financial Reporting of Interest in Joint Ventures' of the Companies (Accounting Standards) Rules 2006.

#### Basis of Qualified Opinion

- i) *The Corporation is due ₹ 1,315.92 lakh as at 31.03.2014 (₹ 1,413.96 lakh up to 31.03.2013) from certain subsidiary Companies (which have significant accumulated losses) on account of services rendered and funds advanced to them (including interest thereon). Besides the Corporation holds investments in the said subsidiaries having a book value as at 31.03.2014 of ₹ 1,060.58 lakh (Previous Year ₹ 759.70 lakh). The management has represented to us that these investments are of long term nature and the shortfall/ diminution in their value is not permanent and that the intrinsic value of assets owned by these companies is considerable to recover the dues and cost of investments, though two of the companies are non-operational and the present net worth of most of these companies is in the negative (Refer Note Nos. 17(1) & 14A (1) of ITDC Standalone Financial Statements).*

#### Emphasis of matter

Without qualifying our opinion, we further report that:

- 1) As per the auditors of Units having name Duty Free Shop- Goa and Seaport, Management did not provide to the auditor the details of movement of stock with rate and amount, giving details of item descriptions lying on 31st March, 2014. However,

Management explained to the auditor that inventories of the company have been physically verified by the management at the year end and also the inventory lying at the unit has been physically verified by the internal auditor and as reported by him, the inventory was found to be correct as per the book balance, on the day of physical verification.

- 2) As per the auditor of Vigyan Bhawan, the unit has provided an amount of ₹ 4,00,000 for electricity and water charges on assumption basis. The total liability towards electricity & water charges since the inception of the unit is ₹ 59,34,305 payable to Directorate of Estate is subject to confirmation. In the absence of requisite details thereof and supporting documents, we cannot comment thereon.
- 3) Non-disclosure of complete details pertaining to transactions entered into during the year with related parties-Accounting Standard-18-Related Party Disclosure.
- 4) Non-disclosure of details required in respect of operating leases entered into by the Corporation. [Point No. 11 of General Note 32] - Accounting Standard-19 - Leases.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the matter described in the basis for Qualified Opinion paragraph**, the financial statement gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i) In the case of Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2014,
- ii) In the case statement of Profit & Loss, of the profit for the year ended on that date, and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

We further report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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.
- The Balance Sheet, Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- Except for the matter described in the Basis of Qualified Opinion paragraph and emphasis of matter, in our opinion, the Balance Sheet,*

Statement of Profit & Loss comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;

- Provisions of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 are not applicable to the Government Company in terms of GSR 829(E) dated 21st October, 2003 issued by Government of India, Department of Company affairs.

For V.K.Verma & Co.  
Chartered Accountants  
(FRN- 000386N)

Vivek Kumar  
(Partner)  
M. No. 503826

Place: New Delhi  
Date: 14th August, 2014

### Consolidated Balance Sheet as at 31st March, 2014

(₹ in lakh)

| Particulars                           | Note | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---------------------------------------|------|--------------------|--------------------|
| <b>I. EQUITY AND LIABILITIES</b>      |      |                    |                    |
| <b>1. Shareholders' Funds</b>         |      |                    |                    |
| Share Capital                         | 2    | 8,576.94           | 8,576.94           |
| Reserves and Surplus                  | 3    | 20,769.82          | 20,295.18          |
| Money Received against Share Warrants |      | -                  | -                  |
| Deferred Government Grants            |      | 8.02               | 8.91               |
|                                       |      |                    |                    |
| <b>2. Minority Interest</b>           | 3A   | 334.43             | 255.34             |
| <b>3. Non-Current Liabilities</b>     |      |                    |                    |
| Long-Term Borrowings                  | 4    | 331.44             | 508.98             |
| Other Long-Term Liabilities           | 6    | 584.28             | 880.80             |
| Long-Term Provisions                  | 7    | 4,688.37           | 4,943.33           |
|                                       |      |                    |                    |
| <b>4. Current Liabilities</b>         |      |                    |                    |
| Short-Term Borrowings                 | 8    | -                  | -                  |
| Trade Payables                        | 9    | 4,678.76           | 5,299.41           |
| Other Current Liabilities             | 10   | 17,653.95          | 15,738.43          |
| Short-Term Provisions                 | 7    | 1,505.10           | 765.96             |
|                                       |      |                    |                    |
|                                       |      | 23,837.81          |                    |
| <b>TOTAL</b>                          |      | <b>59,131.11</b>   | <b>57,273.28</b>   |
| <b>II. ASSETS</b>                     |      |                    |                    |
| <b>1. Non-current Assets</b>          |      |                    |                    |
| <b>Fixed Assets</b>                   |      |                    |                    |
| Tangible Assets in Active Use         | 11   | 6,199.98           | 6,738.93           |
| Tangible Assets Not in Active Use     | 11A  | 12.48              | 11.14              |
| Intangible Assets                     | 12   | 26.56              | 47.74              |
| Capital Work-in-Progress              | 12A  | 587.73             | 442.64             |
| Non-Current Investments               | 13   | -                  | -                  |
| Deferred Tax Assets (Net)             | 5    | 2,626.75           | 2,490.92           |
| Long-Term Loans and Advances          | 14   | 391.52             | 365.63             |
| Other Non-Current Assets              | 15   | 96.40              | 41.46              |
|                                       |      |                    |                    |
|                                       |      | 9,941.42           |                    |
| <b>2. Current Assets</b>              |      |                    |                    |
| Inventories                           | 16   | 1,362.14           | 1,082.14           |
| Trade Receivables                     | 17   | 8,194.44           | 10,282.14          |
| Cash and Cash Equivalents             | 18   | 30,081.80          | 25,712.78          |
| Short-Term Loans and Advances         | 14A  | 8,149.76           | 8,266.17           |
| Other Current Assets                  | 19   | 1,401.55           | 1,791.59           |
|                                       |      |                    |                    |
|                                       |      | 49,189.69          |                    |
| <b>TOTAL</b>                          |      | <b>59,131.11</b>   | <b>57,273.28</b>   |

Notes to Accounts and Significant Accounting Policies 1  
Note Nos. 1 to 32 form an integral part of these Financial Statements

(V.K. Jain) (P.K. Aggrawal) (Trinath Behera) (Dr. Sameer Sharma)  
Company Secretary Vice President (F&A) Director (Finance) Managing Director

As per our Report of even date  
For V. K. Verma & Co.  
Chartered Accountants (FRN 000386N)

Date : 14th August, 2014  
Place : New Delhi

(Vivek Kumar)  
Partner  
(M.No. 503826)

## Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2014

|  |       | (₹ in lakh)             |                         |
|--|-------|-------------------------|-------------------------|
| Particulars  | Note  | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
| <b>REVENUE</b>   |       |                         |                         |
| I. Revenue from Operations   | 20    |                         |                         |
| Sales of products  |       | 11,084.85               | 9,844.85                |
| Sales of services  |       | 34,670.84               | 32,858.69               |
| Other operating revenues   |       | 160.41                  | 239.05                  |
|  |       | 45,916.10               |                         |
| II. Other Income   | 21    | 3,198.66                | 3,100.86                |
| III. TOTAL REVENUE (I+II)  |       | 49,114.76               | 46,043.45               |
| <b>EXPENSES</b>  |       |                         |                         |
| Cost of materials consumed & services rendered   | 22    | 4,907.72                | 4,474.18                |
| Purchase of stock-in-trade   | 23    | 1,853.72                | 1,565.16                |
| Changes in inventories of finished goods and stock-in-trade                                    | 24    | (118.70)                | 54.22                   |
| Employees' Remuneration & Benefits   | 25    | 15,239.20               | 15,503.55               |
| Finance Costs  | 26    | 28.88                   | 20.72                   |
| Depreciation and amortization expense  | 11&12 | 662.02                  | 649.23                  |
| Less: Attributed to the Projects   |       | (0.23)                  | (0.27)                  |
|  |       | 661.79                  |                         |
| Operating Expenses & Other Expenses  | 27    | 25,237.18               | 23,181.58               |
| IV. TOTAL EXPENSES   |       | 47,809.79               | 45,448.37               |
| V. Profit/(Loss) Before Exceptional, Extraordinary Items and Prior Period Adjustments (III-IV) |       | 1,304.97                | 595.08                  |
| VI. Exceptional Items  | 28    | (134.39)                | (191.84)                |
| VII. Profit/(Loss) Before Extraordinary Items and Prior Period Adjustments (V-VI)              |       | 1,439.36                | 786.92                  |
| Prior Period Adjustments   | 29    | (55.16)                 | (16.99)                 |
| Prior Period Income  |       | 321.33                  | 188.60                  |
| Prior Period Expenses/Adjustments  |       | (376.49)                | 188.60                  |
| VIII. Profit/(Loss) Before Extraordinary Items   |       | 1,062.87                | 581.33                  |
| IX. Extraordinary Items  |       | -                       | -                       |
| X. Profit/(Loss) Before Tax(PBT) (VIII-IX)   |       | 1,062.87                | 581.33                  |
| XI. Tax Expense of continuing operations:  |       |                         |                         |
| Current Tax (Income Tax)   |       | (396.35)                | (268.89)                |
| Tax written Back (Previous Year)   |       | (0.21)                  | 27.71                   |
| Current Tax (Wealth Tax)   |       | (0.68)                  | (0.71)                  |
| MAT credit Entitlement   |       | -                       | -                       |
| Deferred Tax   | 5     | 135.83                  | (46.87)                 |
|  |       | (261.41)                |                         |
| XII. Profit/(loss) for the period from continuing operations (X-XI)                            |       | 801.46                  | 292.57                  |
| XIII. Profit/(loss) from discontinuing operations  |       | -                       | -                       |
| XIV. Tax expense of discontinuing operations   |       | -                       | -                       |
| XV. Profit/ (loss) from discontinuing operations (after Tax) (XIII-XIV)                        |       | -                       | -                       |
| XVI. Profit/ (loss) for the period [Profit After Tax (PAT)] (XII+XV)                           |       | 801.46                  | 292.57                  |
| Less: Profit/(Loss) attributable to Minority Interest  |       | (9.69)                  | (12.64)                 |
| AMOUNT AVAILABLE FOR APPROPRIATION   |       | 811.15                  | 305.21                  |
| XVII. Earnings per equity share in ₹   | 30    | 0.95                    | 0.36                    |
| (1) Basic &  |       |                         |                         |
| (2) Diluted  |       |                         |                         |

### Notes to Accounts and Significant Accounting Policies

Note Nos. 1 to 32 form an Integral Part of these Financial Statements

(V.K. Jain) Company Secretary  
 (P.K. Aggrawal) Vice President (F&A)  
 (Trinath Behera) Director (Finance)  
 (Dr. Sameer Sharma) Managing Director

As per our Report of even date  
 For V. K. Verma & Co.  
 Chartered Accountants (FRN 000386N)

(Vivek Kumar)  
 Partner  
 (M.No. 503826)

Date : 14th August, 2014  
 Place : New Delhi

## Note - 1

### Notes to Consolidated Financial Statements

#### 1. BASIS OF CONSOLIDATION

1.1 The consolidated financial statements relate to ITDC Ltd. (the Company), its seven Subsidiaries and interest in one Joint Ventures.

##### a) Basis of Accounting

i) The financial statements of the subsidiary companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company.

ii) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21- 'Consolidated Financial Statements' and Accounting Standard (AS) 27- 'Financial Reporting of Interest in Joint Venture' of Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles.

##### b) Principles of Consolidation

The consolidated financial statements have been prepared as per the following principles:

i) The financial statements of the company and its subsidiaries are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances,

intra group transactions, unrealised profits or losses and minority interest have been separately disclosed.

ii) The consolidated financial statements include the interest of the company in joint ventures, which have been accounted for using the proportionate consolidation method of accounting and reporting whereby the company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the Notes to the Accounts.

1.2 The list of Subsidiary Companies and Joint Ventures considered in the preparation of the Consolidated Financial Statements of ITDC Limited is as under:

| Name of the Subsidiary Company              | Share % of Profit/Losses |
|---|--------------------------|
| Assam Ashok Hotel Corporation Ltd.          | 51                       |
| Donyi Polo Ashok Hotel Corporation Ltd.     | 51                       |
| Madhya Pradesh Ashok Hotel Corporation Ltd. | 51                       |
| Pondicherry Ashok Hotel Corporation Ltd.    | 51                       |
| Punjab Ashok Hotel Company Ltd.             | 51                       |
| Ranchi Ashok Bihar Hotel Corporation Ltd.   | 51                       |
| Utkal Ashok Hotel Corporation Ltd.          | 92                       |
| Name of the Joint Venture                   | Share % of Profit/Losses |
| ITDC Aldeasa India Private Ltd.             | 50                       |

All the above Companies are incorporated in India.  
 There is no change in the % of sharing.

1.3 The Consolidated Financial Statements include the interest of the Company in Joint Venture entity, namely, ITDC Aldeasa India Private Limited, whereby the Company's share in each asset, liability, income and expense is as under:

| (Amount in ₹)                |               |               |
|------------------------------|---------------|---------------|
| Particular                   | Current Year  | Previous Year |
| Fixed Assets                 | NIL           | NIL           |
| Current Assets               | 44,36,881/-   | 42,74,342/-   |
| Current Liabilities          | 2,89,63,386/- | 2,89,28,291/- |
| Provisions- Income Tax       | NIL           | NIL           |
| Accumulated Losses           | 2,47,03,949/- | 2,47,03,949/- |
| Income                       | 2,15,185/-    | NIL           |
| Expenses- Operating & others | 34,751/-      | 21,257/-      |
| Prior Period Expenses        | NIL           | NIL           |
| Profit/(Loss) before Tax     | 1,84,434/-    | (21,257.00)   |
| Net Profit/(Loss) after Tax  | 1,27,444/-    | (21,257.00)   |

## Significant Accounting Policies

### 1. Accounting Convention

The Financial Statements are prepared under the historical cost convention and comply in all material aspects with generally accepted accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

### 2. Use of Estimates

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions in respect of certain items that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual results/outcome could differ from estimates. Any revision in accounting estimates is recognized

prospectively in the period in which such results do materialize.

### 3. Disputed Income Tax and Sales Tax Demands

The disputed Income Tax and Sales Tax demands in respect of assessments completed and against which appeals have been filed are disclosed by way of contingent liability and are charged to accounts in the year of settlement.

### 4. Fixed Assets and Depreciation

#### A) Fixed Assets

- Fixed assets are valued at cost of acquisition, net of 'Grant-in-aid' where applicable.
- Fixed Assets retired from active use and held for disposal are stated at the lower of book value and/or net realizable value and are shown separately in the financial statements. Loss determined, if any, is recognized in the Profit & Loss statement.
- In cases where receipts/scrutiny of final bills of the contractors/suppliers, settlement of the rates to be paid for extra items and price escalation etc. are pending, the capitalization is effected provisionally, based on value of work completed as certified by Project Engineers. Difference, if any, is proposed to be accounted for in the year in which the final bills are settled.
- Intangible Assets (Software) are stated at their cost of acquisition.

#### B) Depreciation

Depreciation on fixed assets is provided

pro-rata, on Straight Line Method on the following rates:

- On fixed assets existing as on 31.3.1987, at the rates already adopted in earlier years.\*
- On addition in the Fixed Assets during the period from 01.04.1987 to 15.12.1993, at the pre-revised rates as per the Schedule XIV of the Companies Act, 1956.\*\*

- On additions made to fixed assets from 16.12.1993 onwards, as per revised rates prescribed in Schedule XIV of the Companies Act, 1956\*\*\*
- On Intangible Assets (Software), cost is amortized over a period of legal right to use or 3 years, whichever is earlier.

The rates at which depreciation has been charged are given below:-

| Sl. No. | Particulars                                 | *Straight Line method percentage rates adopted by the Corporation for |                   | **Straight Line method percentage rates as per Schedule XIV of Companies Act for |                   | ***Revised Straight Line method percentage rates as per Schedule XIV of Companies Act for |                   |
|---------|---|---|-------------------|--|-------------------|---|-------------------|
|         |   | Hotels  | Other than Hotels | Hotels   | Other than Hotels | Hotels  | Other than Hotels |
| 1.      | Building and Roads                          | 1.90  | 1.90              | 1.63   | 1.63              | 1.63  | 1.63              |
| 2.      | Plant & Machinery                           | 8.64  | 5.28              | 11.31  | 5.15              | 10.34   | 4.75              |
| 3.      | Electrical Installation                     | 8.64  | 5.28              | 5.15   | 5.15              | 4.75  | 4.75              |
| 4.      | Lifts                                       | 8.64  | 5.28              | 11.31  | 11.31             | 10.34   | 10.34             |
| 5.      | Kitchen Equipment                           | 8.64  | 5.28              | 11.31  | 5.15              | 10.34   | 4.75              |
| 6.      | Sound System & Musical Instruments          | 8.64  | 5.28              | 11.31  | 5.15              | 10.34   | 4.75              |
| 7.      | Furniture, Fixture & Furnishing             | 9.50 to 31.67   | 9.50 to 31.67     | 5.15   | 3.34              | 9.50  | 6.33              |
| 8.      | Office and Miscellaneous Equipment          | 8.64  | 5.28              | 5.15   | 5.15              | 4.75  | 4.75              |
| 9.      | Computers                                   | -   | -                 | 16.21  | 16.21             | 16.21   | 16.21             |
| 10.     | Coolers & Refrigerator                      | 8.64  | 5.28              | 11.31  | 5.15              | 10.34   | 4.75              |
| 11.     | Air Conditioners (Both Plant & Window Type) | 8.64  | 5.28              | 5.15   | 5.15              | 4.75  | 4.75              |
| 12.     | Vehicles (Staff Car & Scooters, etc.)       | 10.56   | 10.56             | 7.07   | 7.07              | 9.50  | 9.50              |
| 13.     | Transport Vehicles                          | -   | 16.21             | -  | 16.21             | -   | 16.21             |
| 14.     | Sanitary Installation                       | 8.64  | 5.28              | 11.31  | 5.15              | 10.34   | 4.75              |
| 15.     | Assets costing below ₹ 5000                 | -   | -                 | -  | -                 | 100%  | 100%              |

\*\*\*\* Assets costing ₹ 5,000/- and below are charged 100% Depreciation except incase of New Project where the Depreciation at respective rates are charged, keeping in view the nature of Corporation's activities.



## 5. Investments

Long term investments are stated at cost. Provision for diminution in value of each investment, if any, is made to recognize the decline, other than of temporary nature.

## 6) Valuation of Inventories

Stocks and stores including stock of crockery, cutlery, glassware and linen etc., in hand as well as in circulation are valued at cost on FIFO basis or realizable value whichever is less.

## 7) Execution of Projects for Clients

- i) Value of work done in respect of projects executed including cost plus/deposit/turnkey/project management work are shown in the accounts at best estimates by the Management after deduction for likely rejections, if any, by the client.
- ii) Indirect costs are treated as "period costs" and are charged to Profit & Loss account in the year of incurrence.

## 8) Provision, Contingent Liabilities and Contingent Assets

- i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of sources.
- ii) Where as a result of past events, there is a possible obligation that may, but probably will not, require any outflow of resources, no provision is recognized but appropriate disclosure is made in

the notes.

- iii) Contingent assets are neither recognized nor disclosed in the financial statements.

## 9) Employees Benefits

### A) Provident Fund

Company's contributions to Provident Fund are charged to Profit & Loss Account.

### B) Gratuity

- i) Provision for Gratuity is made on the basis of Actuarial Valuation.
- ii) Contribution towards Gratuity scheme is based on the premium contribution called for by the Life Insurance Corporation of India (LIC) with whom the Company has entered into an agreement. As per the terms of its scheme, LIC settles the claim for the full value of the gratuity paid by the Company to its employees, as and when such a payment is made.

### C) Leave Encashment

The provision for leave encashment is made on the basis of actuarial valuation.

## 10) Deferred Taxation

- i) Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with the Accounting Standard (AS-22).
- ii) Deferred Tax Asset is recognized, subject to consideration of prudence, only to the extent that

there is reasonable certainty that sufficient taxable profits will be available against which such Deferred Tax Assets can be realized. In situations where the company has any unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

- iii) Deferred Tax Assets and Liabilities are measured at the rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.

## 11) Government Grant

- i) The Government grant received for upgradation of properties is recognized as income from the year in which respective properties are upgraded and to the extent grant related costs incurred i.e. written off as depreciation, revenue expenditure each year.
- ii) The balance of Government Grant to the extent not adjusted as at the close of the year, is carried in the financial statements as 'Deferred Government Grant' after 'Reserves & Surplus.'

## 12) Revenue Recognition

- i) Income from Projects is recognized on the percentage of completion method including in respect of cost plus/deposit/turnkey/project management work. In terms of this method, revenue is recognized

in proportion to the actual costs incurred as against the total estimated cost of project under execution. The determination of revenues under this method involves making estimates, some of which are of technical nature, concerning, where relevant, the percentages of completion, costs of completion (including cost of rejection), expected revenues etc.

- ii) Income from services rendered in respect of projects /license fees/ Management fee are accounted for (exclusive of service tax) as per terms of the agreement. However, where such service charges/fees are not realised in cash for significant period the accrual thereof is postponed to be accounted for on receipt.
- iii) Revenue from sales (net of returns and discounts) is recognized on transfer of substantial risks and rewards to the customers. Sales Tax and Value Added Tax are excluded.
- iv) Interest income, other than management fees income/interest on loans and advances from subsidiary companies which are accounted for on receipt basis or on receipt of Tax deduction certificate because of liquidity problem in those companies referred to in (ii) above, and income from investments are accounted for on accrual basis at the contracted rates and/or at the time of establishment of right to receive respectively.
- v) Interest/Damages on overdue amounts recoverable from licensees are accounted for on realization basis.



13) Foreign Currency Transactions

a) Transactions in Foreign Exchange

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate Non-monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on recording/ reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arises. Exchange differences on liabilities relating to fixed assets acquired from outside India are added to the cost of such assets.

b) Money Changing Business

i) The transactions concluded during the period are recorded based on the actual rate realized.

ii) Foreign currency balances as at

close of the year are converted at the year end rates.

iii) Income from money changing business as reflected in the accounts is net of cost of sale of currency.

14) Borrowing Costs

i) Borrowing Costs if any, that are directly attributable to the acquisition/construction of qualifying assets are capitalized as part of the cost of the respective assets.

ii) Other borrowing costs are expensed in the year in which they are incurred.

15) Prior Period/Extraordinary Items

i) All prior period items which are material and which arise in the current period as a result of 'errors or omissions' in the preparation of prior period's financial statements are separately disclosed in the current Statement of Profit & Loss. However differences in actual income/expenditure arising out of over or under estimation' in prior period are not treated as prior period income/expenditure

ii) All extraordinary items, i.e. gains or losses which arise from events or transactions which are distinct from the ordinary activities of the company and which are material are separately disclosed in the statement of accounts.

16) Claims

Supplementary claims including insurance claims are accounted for on acceptance/ receipt basis.

Share Capital

Note - 2

Authorised, Issued, Subscribed and Paid-up Share Capital and Par Value per share

(₹ in lakh)

| Particulars  | As at 31.3.2014 | As at 31.3.2013 |
|--|-----------------|-----------------|
| <b>Authorised Share Capital</b>  |                 |                 |
| 15,00,00,000 Equity Shares of ₹ 10/- each<br>(Previous year 15,00,00,000 Equity Shares of ₹ 10/- each) | 15,000.00       | 15,000.00       |
|  | 15,000.00       | 15,000.00       |
| <b>Issued &amp; Subscribed Share Capital</b>   |                 |                 |
| 8,57,69,400 Equity Shares of ₹ 10/- each<br>(Previous year 8,57,69,400 Equity shares of ₹ 10/- each)   | 8,576.94        | 8,576.94        |
|  | 8,576.94        | 8,576.94        |
| <b>Paid-up Share Capital</b>   |                 |                 |
| 8,57,69,400 Equity Shares of ₹ 10/- each<br>(Previous year 8,57,69,400 Equity Shares of ₹ 10/- each)   | 8,576.94        | 8,576.94        |
|  | 8,576.94        | 8,576.94        |
| <b>TOTAL</b>   | <b>8,576.94</b> | <b>8,576.94</b> |

15,238 Equity Shares of ₹ 100 each (since converted into 1,52,380 equity shares of ₹ 10 each) were allotted as fully paid-up pursuant to the Amalgamation Order (1966) under Section 396 of Companies Act, 1956.

75,000 Equity Shares of ₹ 100 each (since converted into 7,50,000 equity shares of ₹ 10 each) were allotted as fully paid-up in consideration for transfer of ownership of some properties.

Reconciliation of number of Equity Shares outstanding at the beginning and at end of the year

| Particulars  | As at 31.3.2014 | As at 31.3.2013 |
|--|-----------------|-----------------|
| Number of Shares outstanding as at beginning of the year   | 8,57,69,400     | 8,57,69,400     |
| <b>Add:</b>  |                 |                 |
| Number of Shares allotted as fully paid-up-bonus shares during the year  | -               | -               |
| Number of Shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash | -               | -               |
| Number of Shares allotted to employees pursuant to ESOPs/ESPs  | -               | -               |
| Number of Shares allotted for cash pursuant to public issue  | -               | -               |
|  | 8,57,69,400     | 8,57,69,400     |
| <b>Less:</b>   |                 |                 |
| Number of Shares bought back during the year   | -               | -               |
| Number of Shares outstanding as at end of the year   | 8,57,69,400     | 8,57,69,400     |

contd.....

### Rights, Preferences and Restrictions (including restrictions on distribution of dividends and repayment of capital) attached to the class of shares

| Particulars  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
|  | Class of Shares    | Class of Shares    |
| The Company has one class of Equity shares having a par value of ₹ 10/- per share. Each Shareholder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | Equity Shares      | Equity Shares      |

### Shares in the Company held by each Shareholder holding more than 5% Equity Shares

(₹ in lakh)

| Particulars                         | As at 31.3.2014       |                           | As at 31.3.2013       |                           |
|-------------------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|                                     | Number of Shares held | Percentage of Shares held | Number of Shares held | Percentage of Shares held |
| Name of the Shareholder             |                       |                           |                       |                           |
| i) President of India               | 7,46,41,681           | 87.030                    | 7,90,00,500           | 92.108                    |
| ii) The Indian Hotels Company. Ltd. | 67,50,275             | 7.870                     | 67,50,275             | 7.870                     |

### Reserves and Surplus

### Note - 3

(₹ in lakh)

| Particulars  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
| <b>Capital Reserve</b>                               |                    |                    |
| As per Last Balance Sheet                            | 62.98              | 62.98              |
| <b>Securities Premium Reserve</b>                    |                    |                    |
| As per Last Balance Sheet                            | 5,475.00           | 5,475.00           |
| Addition During The Year                             | -                  | -                  |
|  | 5,475.00           |                    |
| <b>General Reserve</b>                               |                    |                    |
| As per Last Balance Sheet                            | 14,760.40          | 14,460.40          |
| Add/(Less): Current Year Adjustments                 | 565.22             | 300.00             |
| Closing Balance                                      | 15,325.62          | 14,760.40          |
| <b>Surplus in the Statement of Profit &amp; Loss</b> |                    |                    |
| As per Last Balance Sheet                            | (3.20)             |                    |
| Transfer From Profit & Loss Accounts                 | 811.15             | 296.80             |
| Surplus For The Year                                 | 807.95             | 296.80             |
| <b>Appropriations/Adjustments</b>                    |                    |                    |
| Proposed Dividend                                    | 428.85             | -                  |
| Dividend Tax   | 72.88              | -                  |
| Transfer to General Reserve                          | 400.00             | 300.00             |
| Closing Balance                                      | (93.78)            |                    |
| <b>GRAND TOTAL</b>                                   | <b>20,769.82</b>   | <b>20,295.18</b>   |

### Minority Interest

### Note - 3A

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| As per Last Balance Sheet                           | 255.34             | 267.98             |
| Consolidation Adjustment*                           | 254.00             | -                  |
| Adjustment of loss earlier borne by ITDC            | (165.22)           | -                  |
| Loss attributable to Minority interest for the year | (9.69)             | (12.64)            |
| <b>TOTAL</b>  | <b>334.43</b>      | <b>255.34</b>      |

\*Amount of Share Capital portion of minority invested during the year

## Long-Term Borrowings

Note - 4

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| <b>(A) BONDS/DEBENTURES</b>   |                    |                    |
| Secured   | -                  | -                  |
| Unsecured   | -                  | -                  |
| <b>(B) TERM LOANS FROM BANKS</b>  |                    |                    |
| <b>(C) TERM LOANS FROM OTHERS</b>   |                    |                    |
| Secured Loan from Bihar Industries Credit & Investment Corpn Ltd.   | -                  | -                  |
| Principal Amount  | -                  | 83.15              |
| Interest accrued and due  | -                  | 112.90             |
| (Secured against first mortgage of present/future immovable and movable properties, machineries, tools, accessories and other fixed assets of the Ranchi Ashok Bihar Hotel Corporation Ltd. except book debts. Promoters guarantees shall rank pari passu with the mortgaged and charges created/ to be created.) |                    |                    |
| Secured Loan from Assam Industrial Development Corporation Ltd.   |                    |                    |
| Principal Amount  | 90.00              | 90.00              |
| Interest accrued and due including penal interest   | 241.44             | 222.93             |
| (Term Loan from financial institutions guaranteed by ITDC and Govt. of Assam secured against Plant and Machinery and Building of Assam Ashok Hotel Corporation Limited)   |                    |                    |
| Unsecured   | -                  | -                  |
| <b>(D) LOANS AND ADVANCES FROM RELATED PARTIES</b>  |                    |                    |
| Secured   | -                  | -                  |
| Unsecured   | -                  | -                  |
| <b>(E) PUBLIC DEPOSITS (UNSECURED)</b>  |                    |                    |
| <b>(F) LONG-TERM MATURITIES OF FINANCE LEASE OBLIGATIONS (SECURED BY HYPOTHECATION OF MACHINERY TAKEN ON FINANCE LEASE)</b>   |                    |                    |
|   | -                  | -                  |
| <b>TOTAL</b>  | <b>331.44</b>      | <b>508.98</b>      |

## Deferred Tax Assets (Net)

Note - 5

(₹ in lakh)

| Particulars                      | As at<br>31.3.2014 | As at<br>31.3.2013 |
|----------------------------------|--------------------|--------------------|
| <b>DEFERRED TAX LIABILITIES</b>  | 50.79              | 35.88              |
| <b>DEFERRED TAX ASSETS</b>       | 2,677.54           | 2,526.80           |
| <b>DEFERRED TAX ASSETS (Net)</b> | <b>2,626.75</b>    | <b>2,490.92</b>    |

Accounting for Taxes on Income -  
Accounting Standard - 22 - Deferred Tax:

The major components of Deferred Tax Asset (net) as on 31.3.2014 are given below:-

(₹ in lakh)

| Particulars  | 31.3.2014       | 31.3.2013       |
|--|-----------------|-----------------|
| <b>DEFERRED TAX LIABILITIES</b>                                |                 |                 |
| Depreciation   | 604.90          | 700.54          |
| <b>DEFERRED TAX ASSETS</b>                                     |                 |                 |
| Carried forward business loss                                  | -               | 119.18          |
| Provision for Gratuity   | 303.27          | 449.86          |
| Provision for Doubtful Debts & Advances & Inventory write down | 1,374.35        | 1,290.57        |
| Provision for Leave Encashment                                 | 1,268.87        | 45.03           |
| Municipal Taxes  | -               | -               |
| Disallowances under Income Tax Act, 1961                       | 285.16          | 1,286.82        |
|  | 3,231.65        | 3,191.46        |
| <b>DEFERRED TAX ASSET (NET)</b>                                | <b>2,626.75</b> | <b>2,490.92</b> |

As required by Accounting Standard -22, the Deferred Tax Assets/Liabilities were reviewed by the management, based on the advice of tax consultants, and in view of sufficient taxable profits in the current year and the expectation that future taxable profits will be available for realisation of the Deferred Tax Asset and accordingly the above Deferred Tax Asset(Net) up to 31.3.2014 has been recognised in the financial statements.

## Other Long-Term Liabilities

Note - 6

(₹ in lakh)

| Particulars                        | As at<br>31.3.2014 | As at<br>31.3.2013 |
|------------------------------------|--------------------|--------------------|
| Security Deposit & Retention Money | 584.28             | 880.80             |
| <b>Total</b>                       | <b>584.28</b>      | <b>880.80</b>      |

## Provisions

Note - 7

(₹ in lakh)

| Particulars   | As at 31.3.2014 |                 |                 | As at 31.3.2013 |               |                 |
|---|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|
|   | Long Term       | Short Term      | Total           | Long Term       | Short Term    | Total           |
| <b>Employee Benefits</b>                              |                 |                 |                 |                 |               |                 |
| Gratuity  | 7,006.61        | 1,489.99        | 8,496.60        | 7,030.65        | 1,187.79      | 8,218.44        |
| Less:- Fund size of Investment as per Gratuity Policy | (6,024.21)      | (1,488.32)      | (7,512.53)      | (5,642.00)      | (1,187.79)    | (6,829.79)      |
| Leave Encashment                                      | 3,708.35        | 605.08          | 4,313.43        | 3,553.31        | 494.34        | 4,047.65        |
| Less:- Fund size of Investment as per Policy          | (40.67)         | (3.77)          | (44.44)         | (40.21)         | (4.10)        | (44.31)         |
| Sick Leave  | 38.29           | 3.36            | 41.65           | 41.58           | 6.12          | 47.70           |
|   | <b>4,688.37</b> | <b>606.34</b>   | <b>5,294.71</b> | <b>4,943.33</b> | <b>496.36</b> | <b>5,439.69</b> |
| <b>Income Tax</b>                                     |                 |                 |                 |                 |               |                 |
| Provision for Income Tax                              | -               | 396.35          | 396.35          | -               | 268.89        | 268.89          |
|   | -               | 396.35          | 396.35          | -               | 268.89        | 268.89          |
| <b>Wealth Tax</b>                                     |                 |                 |                 |                 |               |                 |
| Provision for Wealth Tax                              | -               | 0.68            | 0.68            | -               | 0.71          | 0.71            |
|   | -               | 0.68            | 0.68            | -               | 0.71          | 0.71            |
| <b>Proposed Dividend</b>                              |                 |                 |                 |                 |               |                 |
| Proposed Dividend                                     | -               | 428.85          | 428.85          | -               | -             | -               |
| Dividend Tax  | -               | 72.88           | 72.88           | -               | -             | -               |
|   | -               | 501.73          | 501.73          | -               | -             | -               |
| <b>TOTAL</b>  | <b>4,688.37</b> | <b>1,505.10</b> | <b>6,193.47</b> | <b>4,943.33</b> | <b>765.96</b> | <b>5,709.29</b> |

## Short-Term Borrowings

Note - 8

(₹ in lakh)

| Particulars  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
| <b>(A) LOANS REPAYABLE ON DEMAND</b>               |                    |                    |
| Secured  | -                  | -                  |
| Unsecured  | -                  | -                  |
| <b>(B) LOANS AND ADVANCES FROM RELATED PARTIES</b> |                    |                    |
| Secured  | -                  | -                  |
| Unsecured  | -                  | -                  |
| <b>(C) PUBLIC DEPOSITS (UNSECURED)</b>             |                    |                    |
|  | -                  | -                  |
| <b>Total</b>                                       | <b>-</b>           | <b>-</b>           |



## Trade Payable

Note - 9

(₹ in lakh)

| Particulars    | As at<br>31.3.2014 | As at<br>31.3.2013 |
|----------------|--------------------|--------------------|
| <b>Current</b> |                    |                    |
| Trade Payables | 4,678.76           | 5,299.41           |
| <b>TOTAL</b>   | <b>4,678.76</b>    | <b>5,299.41</b>    |

## Other Current Liabilities

Note - 10

(₹ in lakh)

| Particulars                                 | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| Due To ITDC Limited                         |                    |                    |
| - Project Division                          | -                  | -                  |
| - ITDC Ltd. (HQ)                            | -                  | -                  |
| BSTDC/PTDC                                  | 27.09              | 25.10              |
| Interest accrued but not due on borrowings  | 5.87               | 5.87               |
| Interest accrued and due on borrowings      | -                  | -                  |
| Sundry Creditors (Other Than Trade Payable) | 4,111.75           | 4,638.27           |
| Security Deposits & Retention Money         | 2,889.66           | 2,781.13           |
| Advances From Customers                     | 7,288.07           | 6,224.08           |
| Other Liabilities                           | 3,331.51           | 2,063.98           |
| <b>TOTAL</b>                                | <b>17,653.95</b>   | <b>15,738.43</b>   |

Sundry creditors include unlinked receipts from customers etc. of ₹ 46.73 lakh (P.Y ₹ 55.73 lakh) which could not be linked to respective customer accounts, for want of adequate details.

Rental agreement with Life Insurance Corporation of India (LIC) expired on 25.07.2005 is pending renewal. Pending finalisation of terms and conditions and execution of new lease deed. The Corporation has paid the rent @ 135/- per sq.foot w.e.f 26-07-2010 (After the expiry of five years from 25-07-2005) as per MoU with LIC along with Service Tax w.e.f 01-06-2007 as per decision and as demanded by LIC. However, the Corporation has not acknowledged the demand of interest by LIC on late payment of the rent @ 12% p.a.

## Tangible Assets in Active use

Note - 11

(₹ in lakh)

| Sl. No. | Description                  | Gross Block      |                          |   |                  | Provided during the year | Depreciation     |                  | Impairment       |                          | Net Carrying Amount      |                  |                  |                  |                 |
|---------|------------------------------|------------------|--------------------------|---|------------------|--------------------------|------------------|------------------|------------------|--------------------------|--------------------------|------------------|------------------|------------------|-----------------|
|         |                              | Up To 31.03.2013 | Addition during the year | Add/(Less): Sales, Transfer, Write Offs and Adjustments during the year | Up To 31.03.2014 |                          | Up To 31.03.2013 | Up To 31.03.2014 | As at 31.03.2013 | Reversed during the year | Provided during the year | Up To 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |                 |
| 1.      | Land                         |                  |                          |   |                  |                          |                  |                  |                  |                          |                          |                  |                  |                  |                 |
|         | Owned (FreeHold)             | 26.25            | -                        | -   | ***26.25         | 2.24                     | 0.00             | -                | ***2.24          | -                        | -                        | -                | -                | 24.01            | 24.01           |
|         | Leased                       | 335.00           | -                        | -   | 335.00           | 35.61                    | 3.52             | 74.88            | *114.01          | -                        | -                        | -                | -                | 220.99           | 299.39          |
| 2.      | Buildings - Owned            | 3,573.16         | 32.28                    | 0.12  | **3,605.56       | 1,747.91                 | 59.42            | 10.84            | 1,818.17         | -                        | -                        | -                | -                | 1,787.39         | 1,825.25        |
| 3.      | Plant & Equipment - Owned    | 7,659.14         | 195.65                   | (31.33)   | 7,823.46         | 4,644.46                 | 353.79           | (15.75)          | 4,982.50         | -                        | -                        | -                | -                | 2,840.96         | 3,014.68        |
| 4.      | Furniture & Fixtures - Owned | 3,070.12         | 38.04                    | (5.05)  | 3,103.11         | 2,132.95                 | 127.04           | 108.42           | 2,368.41         | -                        | -                        | -                | -                | 734.70           | 937.17          |
| 5.      | Vehicles - Owned             | 198.64           | -                        | (41.68)   | 156.96           | 139.62                   | 15.20            | (35.24)          | 119.58           | -                        | -                        | -                | -                | 37.38            | 59.02           |
| 6.      | Office Equipments - Owned    | 1,524.95         | 69.85                    | (12.39)   | 1,582.41         | 945.54                   | 79.96            | 2.36             | 1,027.86         | -                        | -                        | -                | -                | 554.55           | 579.41          |
|         | <b>Total</b>                 | <b>16,387.26</b> | <b>335.82</b>            | <b>(90.33)</b>  | <b>16,632.75</b> | <b>9,648.33</b>          | <b>638.93</b>    | <b>145.51</b>    | <b>10,432.77</b> | <b>-</b>                 | <b>-</b>                 | <b>-</b>         | <b>-</b>         | <b>6,199.98</b>  | <b>6,738.93</b> |
|         | Previous Year's total        | 16,237.01        | 396.70                   | (246.45)  | 16,387.26        | 9,163.21                 | 624.98           | (139.86)         | 9,648.33         | -                        | -                        | -                | -                | 6,738.93         | -               |

\* This represents amortization of leasehold land.

\*\* Includes staff quarters of value of ₹ 194.03 lakh (Previous year ₹ 194.03 lakh). However, this figure does not include value of staff quarters at some units, as the cost could not be ascertained separately.

\*\*\* Includes amortisation of leasehold residential flats at Headquarters before their conversion into Freehold.

- Tangible Assets other than Leasehold land are owned by the Corporation.

### Notes:-

- Terms of purchase/lease of land having not been finalised and registration of title deeds/execution of lease deeds having not been effected, liability towards cost/lease rent, ground rent and registration fee, etc, has not been created in respect of Hotel Patliputra Ashok at Patna, Ashok Institute of Hospitality and Tourism Management (AIH&TM) and Tennis Court at New Delhi.
- Lease deeds/title deeds have not yet been executed in favour of the Corporation in respect of land at Hotel Samrat, Office Premises in Scope at New Delhi and Donyi Polo Ashok Hotel Corporation Limited in respect of land at Itanagar.
- Lease deed in respect of land of Ashok Hotel, New Delhi is registered in the name of erstwhile Ashoka Hotels Limited, which was merged with the Corporation on 28th March, 1970
- Registration of title deeds in favour of the Corporation have not been effected in respect of:-
  - Land and building of Taj Restaurant at Agra
  - Land at Gulmarg
- Lease deed in respect of Hotel Jammu Ashok was expired on 11.01.2010, pending renewal of the same liability towards lease rent etc. has not been provided.
- Pending finalisation of cost and adjustment thereof, capitalisation of Land, Building, Furniture & Fixtures and Equipment of retained Travellers Lodges, Restaurants and Hotel taken over from Ministry of Tourism, has been effected based on the payments made.
- Pending receipt/scrutiny of final bills of the contractors/suppliers, settlement of the rates for extra items and escalation etc., the capitalisation and/ or charge to expenditure to the extent of ₹ 1,745.63 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 1,624.52 lakh). Adjustments, if any, to cost is proposed to be carried out upon final settlement of the bills.

**Tangible Assets not in Active use**

**Note - 11-A**

(₹ in lakh)

| Particulars   | Gross Block     |                          |  |                      | Depreciation    |                           |  |  | Net Block                         |                                      | Balance Provided For |
|---|-----------------|--------------------------|--|----------------------|-----------------|---------------------------|--|--|-----------------------------------|--------------------------------------|----------------------|
|   | Up to 31.3.2013 | Addition during the year | Add/(Less): Sales, Transfers, Write-Offs and Adjustments during the year | Cost as on 31.3.2014 | Up to 31.3.2013 | Additions during the year | Add/(Less): Sales, Transfers, Write-Offs and Adjustments during the year | Accumulated Depreciation up to 31.3.2014 | Depreciated Value as on 31.3.2014 | Net Realisable Value as on 31.3.2014 |                      |
| <b>A. Net Realisable Value is more than Depreciated Value</b>   |                 |                          |  |                      |                 |                           |  |  |                                   |                                      |                      |
| Plant & Equipment-Owned   | 92.69           | 8.88                     | (5.80)   | 95.77                | 86.13           | 8.21                      | (5.16)   | 89.18                                    | 6.59                              | 6.59                                 | -                    |
| Furniture & Fixtures-Owned                                      | 22.55           | 0.06                     | (15.50)  | 7.11                 | 21.43           | 0.06                      | (14.75)  | 6.74                                     | 0.37                              | 0.37                                 | -                    |
| Vehicles-Owned  | 3.93            | 9.71                     | -  | 13.64                | 3.74            | 8.13                      | -  | 11.87                                    | 1.77                              | 1.77                                 | -                    |
| Office Equipments-Owned   | 11.25           | 1.32                     | (9.19)   | 3.38                 | 9.82            | 1.08                      | (8.32)   | 2.58                                     | 0.80                              | 0.80                                 | -                    |
| <b>Total-A</b>  | <b>130.42</b>   | <b>19.97</b>             | <b>(30.49)</b>   | <b>119.90</b>        | <b>121.12</b>   | <b>17.48</b>              | <b>(28.23)</b>   | <b>110.37</b>                            | <b>9.53</b>                       | <b>9.53</b>                          | <b>-</b>             |
| <b>B. Net Realisable value is less than depreciated value:-</b> |                 |                          |  |                      |                 |                           |  |  |                                   |                                      |                      |
| Plant & Equipment-Owned   | 29.22           | 7.59                     | -  | 36.81                | 19.79           | 7.12                      | -  | 26.91                                    | 9.90                              | 2.07                                 | 7.83                 |
| Furniture & Fixtures-Owned                                      | 5.78            | 1.50                     | 15.50  | 22.78                | 5.01            | 1.42                      | 14.75  | 21.18                                    | 1.60                              | 0.42                                 | 1.18                 |
| Vehicles-Owned  | 0.01            | -                        | -  | 0.01                 | 0.01            | -                         | -  | 0.01                                     | -                                 | -                                    | -                    |
| Office Equipments-Owned   | 4.89            | 1.62                     | 9.19   | 15.70                | 2.79            | 1.15                      | (8.32)   | 12.26                                    | 3.44                              | 0.46                                 | 2.98                 |
| <b>Total-B</b>  | <b>39.90</b>    | <b>10.71</b>             | <b>24.69</b>   | <b>75.30</b>         | <b>27.60</b>    | <b>9.69</b>               | <b>(23.07)</b>   | <b>60.36</b>                             | <b>14.94</b>                      | <b>2.95</b>                          | <b>11.99</b>         |
| <b>Total (A+B)</b>  | <b>170.32</b>   | <b>30.68</b>             | <b>(5.80)</b>  | <b>195.20</b>        | <b>148.72</b>   | <b>27.17</b>              | <b>(51.30)</b>   | <b>170.73</b>                            | <b>24.47</b>                      | <b>12.48</b>                         | <b>11.99</b>         |
| Previous Year   | 161.34          | 8.98                     | -  | 170.32               | 141.26          | 7.46                      | -  | 148.72                                   | 21.60                             | 11.14                                | -                    |

## Fixed Assets-Intangible

Note - 12

(₹ in lakh)

| Sl. No. | Description           | Gross Carrying Amount |  |                           |                  | Provided during the year | Accumulated Amortisation |                  | Accumulated Impairment   |                          | Net carrying Amount |                  |                  |       |
|---------|-----------------------|-----------------------|--|---------------------------|------------------|--------------------------|--------------------------|------------------|--------------------------|--------------------------|---------------------|------------------|------------------|-------|
|         |                       | As at 31.03.2013      | Additional Adjust-ment during the year | Deduction during the year | As at 31.03.2014 |                          | As at 31.03.2013         | As at 31.03.2014 | Reversed during the year | Provided during the year | As at 31.03.2014    | As at 31.03.2014 | As at 31.03.2013 |       |
| 1.      | Goodwill              |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| 2.      | Brands/Trade Marks    |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| 3.      | Computer Software     |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| -       | Acquired              | 96.51                 | 1.91                                   | -                         | 98.42            | 23.09                    | -                        | 71.86            | -                        | -                        | -                   | -                | 26.56            | 47.74 |
| -       | Internally Generated  |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| 4.      | Mastheads             |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| 5.      | Mining Rights         |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| 6.      | Copyrights            |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| -       | Acquired              |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| -       | Internally Generated  |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| 7.      | Patents               |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| -       | Acquired              |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
| -       | Internally Generated  |                       |  |                           |                  |                          |                          |                  |                          |                          |                     |                  |                  |       |
|         | <b>Total</b>          | 96.51                 | 1.91                                   | -                         | 98.42            | 23.09                    | -                        | 71.86            | -                        | -                        | -                   | -                | 26.56            | 47.74 |
|         | Previous Year's total | 52.39                 | 43.42                                  | 0.70                      | 96.51            | 24.25                    | 0.61                     | 48.77            | -                        | -                        | -                   | -                | 47.74            | -     |



## Capital Work-in-Progress

Note - 12A

| Particulars  | (₹ in lakh)     |                 |
|--|-----------------|-----------------|
|  | As at 31.3.2014 | As at 31.3.2013 |
| I) Work-in-Progress (at cost) including Construction material lying at site and Fixed assets not put to use, Value of work done and material supplied by the contractors/suppliers | 574.92          | 457.24          |
| II) Expenses Attributable on Projects Pending Allocation   | 204.40          | 196.87          |
| III) Capital Goods-in-Hand & in Transit  | 30.14           | 7.38            |
|  | 809.46          | 661.49          |
| Less:- Provision for Impairment  | (221.73)        | (218.85)        |
| <b>TOTAL</b>   | <b>587.73</b>   | <b>442.64</b>   |

(a) Capital work-in-progress includes expenditure attributable to projects, to be apportioned to various projects upon their completion.

(b) Expenses attributed to projects pending allocation are as follows: -

| Particulars                        | (₹ in lakh)   |               |
|------------------------------------|---------------|---------------|
|                                    | Current year  | Previous year |
| Opening Balance                    | 196.87        | 168.60        |
| Add:-                              |               |               |
| Other Project Overheads            | 26.36         | 46.68         |
| Depreciation/Amortisation of Lease | 0.23          | 0.26          |
| Less: Capitalised during the year  | 19.06         | 18.67         |
| <b>Closing Balance</b>             | <b>204.40</b> | <b>196.87</b> |

## Non-Current Investments

Note - 13

| Particulars  | (₹ in lakh)     |                 |
|--|-----------------|-----------------|
|  | As at 31.3.2014 | As at 31.3.2013 |
| Non-Trade Investments                              |                 |                 |
| Trade(Unquoted) in Subsidiary Companies            |                 |                 |
| (i) Investments in Equity Instruments              |                 |                 |
| Delhi Maida Consumers Co-operative Society Limited |                 |                 |
| 1 Equity share of ₹ 25 Each*                       | -               | -               |
| <b>TOTAL</b>                                       | <b>-</b>        | <b>-</b>        |

\*Investment of ₹ 25 has been shown as NIL due to rounding off

## Long-Term Loans and Advances

Note - 14

| Particulars                                   | (₹ in lakh)     |                 |
|---|-----------------|-----------------|
|   | As at 31.3.2014 | As at 31.3.2013 |
| (A) Security Deposits                         |                 |                 |
| Secured, considered good                      | 1.89            | 1.89            |
| Unsecured, considered good                    | 228.66          | 202.77          |
| Doubtful                                      | 26.06           | 25.76           |
| Less: Allowance for bad and doubtful advances | (26.06)         | (25.76)         |
| <b>Total (A)</b>                              | <b>230.55</b>   | <b>204.66</b>   |
| (B) OTHERS                                    |                 |                 |
| Secured, considered good                      | -               | -               |
| Unsecured, considered good                    | 160.97          | 160.97          |
| Doubtful                                      | -               | -               |
| Less: Allowance for bad and doubtful advances | -               | -               |
| <b>Total (B)</b>                              | <b>160.97</b>   | <b>160.97</b>   |
| <b>TOTAL [(A)+(B)]</b>                        | <b>391.52</b>   | <b>365.63</b>   |

## Short Term Loans & Advances

Note - 14A

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| <b>(A) Loans and Advances to Related Parties</b>  |                    |                    |
| Secured, considered good  | -                  | -                  |
| Unsecured, considered good  | -                  | 208.00             |
| Doubtful  | -                  | -                  |
| Less: Allowance for bad and doubtful advances   | -                  | -                  |
| <b>Total (A)</b>  | <b>-</b>           | <b>208.00</b>      |
| <b>(B) Loans and Advances Due by Directors or Officers of the Company or any of them either severally or jointly with others or by Firms or Private Companies respectively in which any Director is a Partner or a Director or Member</b> |                    |                    |
| Secured, considered good  | -                  | -                  |
| Unsecured, considered good  | 3.72               | 8.81               |
| Doubtful  | -                  | -                  |
| Less: Allowance for bad and doubtful advances   | -                  | -                  |
| <b>Total (B)</b>  | <b>3.72</b>        | <b>8.81</b>        |
| <b>(C) Others (Specify)</b>   |                    |                    |
| Secured, considered good  | 0.51               | 0.99               |
| Unsecured, considered good  | 1,940.94           | 2,072.77           |
| Doubtful  | -                  | -                  |
| Less: Allowance for bad and doubtful advances   | -                  | -                  |
| <b>Total (C)</b>  | <b>1,941.45</b>    | <b>2,073.76</b>    |
| <b>(D) Advance Income Tax and Tax Deducted at Source</b>  |                    |                    |
| <b>Total (D)</b>  | <b>6,136.54</b>    | <b>5,972.22</b>    |
| <b>(E) Sales Tax paid in Advance</b>  |                    |                    |
| <b>Total (E)</b>  | <b>68.05</b>       | <b>3.38</b>        |
| <b>TOTAL [(A)+(B)+(C)+(D)+ (E)]</b>   | <b>8,149.76</b>    | <b>8,266.17</b>    |

1. Loans & Advances include the following:-

(₹ in lakh)

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Advances due from Directors and Officers of the Corporation                       | 3.72         | 8.81          |
| Maximum amount due from Directors and Officers of the Corporation during the year | 11.42        | 33.90         |

- Loans and Advances includes ₹ 142.64 lakh being recoverable from M/s Paul Mech (lessee) on account of VRS (compensation) including terminal benefits in respect of 29 employees of Hotel Nilachal Ashok, Puri.
- Consequent upon final resolution of the matter of attempting to take over Ranchi Bihar Ashok Hotel Corporation by the Financial Institution due to non repayment of loan and interest by the Subsidiary Corporation, the liability towards financial institution has been settled and the amount of ₹ 208.00 lakh deposited by ITDC (holding company) in the earlier years and included under loans and advances and a sum of ₹ 5.36 lakh paid during the year has been converted into equity capital by allotting 21336 shares to ITDC.

## Other Non-Current Assets

Note - 15

(₹ in lakh)

| Particulars  | As at<br>31.3.2014 | As at<br>31.3.2013 |
|--|--------------------|--------------------|
| <b>(A) Long-Term Trade Receivables Other Than Current (including trade receivables on deferred credit terms)</b> |                    |                    |
| Secured, considered good   | 9.51               | 9.41               |
| Unsecured, considered good   | 86.31              | 31.63              |
| Doubtful   | 3,529.87           | 3,384.12           |
| Less: Allowance for bad and doubtful advances  | (3,529.87)         | (3,384.12)         |
| <b>Total (A)</b>   | <b>95.82</b>       | <b>41.04</b>       |
| <b>(B) Others</b>  |                    |                    |
| Secured, considered good   | -                  | -                  |
| Unsecured, considered good   | 0.58               | 0.42               |
| Doubtful   | 447.41             | 447.96             |
| Less: Allowance for bad and doubtful advances  | (447.41)           | (447.96)           |
| <b>Total (B)</b>   | <b>0.58</b>        | <b>0.42</b>        |
| <b>TOTAL [(A)+(B)]</b>   | <b>96.40</b>       | <b>41.46</b>       |

## Inventories

Note - 16

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| <i>(As per inventories prepared, valued and certified by the Management at lower of the cost or net realisable value)</i> |                    |                    |
| Stores and Spares   | 286.93             | 278.08             |
| Tools   | 0.76               | 0.54               |
| Crockery, Cutlery, Glassware and Linen etc. (in hand and in use)  | 261.40             | 280.64             |
| Other Stocks and Stores (Others)  | 735.38             | 556.66             |
| Goods-in-Transit  | 120.50             | -                  |
| Less: Provision for Inventory Write Down  | (42.83)            | (33.78)            |
| <b>Total</b>  | <b>1,362.14</b>    | <b>1,082.14</b>    |

## Trade Receivables

Note - 17

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| <b>1. Current Trade Receivables</b>   |                    |                    |
| (A) Trade receivables outstanding for more than six months from the date they became due for payment: |                    |                    |
| (i) Secured, considered good  | 46.53              | 58.64              |
| (ii) Unsecured, considered good   | 2,270.42           | 4,785.90           |
| (iii) Doubtful  | 49.02              | 16.80              |
| Less: Allowance for bad and doubtful debts  | (49.02)            | (16.80)            |
| <b>TOTAL (A)</b>  | <b>2,316.95</b>    | <b>4,844.54</b>    |
| (B) Trade Receivables (others)  |                    |                    |
| (i) Secured, considered good  | 78.91              | 401.10             |
| (ii) Unsecured, considered good   | 5,798.58           | 5,036.50           |
| (iii) Doubtful  | 176.36             | 26.75              |
| Less: Allowance for bad and doubtful debts  | (176.36)           | (26.75)            |
| <b>TOTAL (B)</b>  | <b>5,877.49</b>    | <b>5,437.60</b>    |
| <b>TOTAL {A+B}</b>  | <b>8,194.44</b>    | <b>10,282.14</b>   |

Trade Receivable include the following:-

(₹ in lakh)

| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Debts due from Directors and Officers of the Corporation                          | 0.17         | 0.16          |
| Maximum amount due from Directors and Officers of the Corporation during the year | 0.23         | 0.16          |

## Cash and Cash Equivalents

Note - 18

(₹ in lakh)

| Particulars   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| (A) Cash on hand  |                    |                    |
| Cash on hand  | 35.09              | 33.37              |
| (B) Balances with Banks   |                    |                    |
| In Current Account  | 2,430.93           | 3,047.80           |
| In Savings Account  | 0.70               | -                  |
| Provision for Doubtful Recovery   | -                  | -                  |
| (C) Cheques, Drafts in hand   |                    |                    |
| Cheques on hand   | 321.01             | 376.30             |
| Drafts in hand  | -                  | -                  |
| (D) Other Bank Balances   |                    |                    |
| Term deposits with Banks for less than 12 months*                       | 27,245.41          | 22,197.65          |
| Term deposits with Banks for more than 12 months                        | 48.66              | 57.66              |
| (E) Bank Balance held as margin money or as security against Borrowings | -                  | -                  |
| Guarantees  | -                  | -                  |
| Letter of Credit  | -                  | -                  |
| Other commitments   | -                  | -                  |
| (F) Others  |                    |                    |
| Gratuity Fund Trust (SBI)   | -                  | -                  |
| <b>TOTAL</b>  | <b>30,081.80</b>   | <b>25,712.78</b>   |

\* Include FDRs of ₹ 35.95 lakh (Previous year ₹ 35.95 lakh) lodged as Security

## Other Current Assets

Note - 19

(₹ in lakh)

| Particulars                                   | As at<br>31.3.2014 | As at<br>31.3.2013 |
|---|--------------------|--------------------|
| Interest accrued but not due on Term Deposits | 1,130.76           | 1,004.47           |
| Others  | 270.79             | 787.12             |
| Less: Allowance for bad and doubtful advances | -                  | -                  |
| <b>TOTAL</b>                                  | <b>1,401.55</b>    | <b>1,791.59</b>    |

Note:-

Others include FDR of ₹ 1.58 lakh deposited with RPFC Jaipur

## Revenue from Operation

Note - 20

(₹ in lakh)

| Particulars   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|---|-------------------------|-------------------------|
| <b>Sales of Products (A)</b>                          |                         |                         |
| Food  | 7,175.29                | 6,326.68                |
| Beer, Wine & Spirits                                  | 2,243.38                | 1,904.06                |
| Cigars and Cigarettes                                 | 17.00                   | 136.39                  |
| Soft Drinks   | 297.33                  | 281.52                  |
| Petrol, Oil & Lubricant                               | 1,287.61                | 1,030.15                |
| Tourist Literature and Other Publications             | 31.40                   | 68.09                   |
| Miscellaneous Sales                                   | 32.84                   | 97.96                   |
| <b>TOTAL (A)</b>                                      | <b>11,084.85</b>        | <b>9,844.85</b>         |
| <b>Sales of Services (B)</b>                          |                         |                         |
| Room Rent   | 11,683.63               | 12,202.65               |
| Licence Fees  | 5,331.08                | 4,740.86                |
| Banquet Hall/Lawn Rental                              | 1,064.35                | 1,051.71                |
| Traffic Earnings & Package Tours                      | 1,202.51                | 1,458.04                |
| Travel Services                                       | 11,065.61               | 9,155.71                |
| Management/Consultancy/Event Management/Training Fees | 2,057.91                | 2,547.46                |
| Revenue From Execution of Project                     | 1,219.75                | 626.95                  |
| Son-et-Lumiere & Cultural Shows                       | 81.52                   | 87.29                   |
| Commission Received                                   | 30.19                   | 37.80                   |
| Electricity Charges                                   | 469.43                  | 405.35                  |
| Telephone Services                                    | 8.23                    | 17.17                   |
| Advertisement Income                                  | 94.38                   | 154.84                  |
| Service Charges                                       | 362.25                  | 372.86                  |
| <b>TOTAL (B)</b>                                      | <b>34,670.84</b>        | <b>32,858.69</b>        |
| <b>Other Operating Revenues (C)</b>                   |                         |                         |
| Miscellaneous Income                                  | 160.41                  | 239.05                  |
| <b>TOTAL (C)</b>                                      | <b>160.41</b>           | <b>239.05</b>           |
| <b>TOTAL (A)+(B)+(C)</b>                              | <b>45,916.10</b>        | <b>42,942.59</b>        |

**Note:-**

Pending execution of fresh Licence Agreements, income from Licence fees (from continuing licensees) has been accounted for on provisional basis and/or based on the earlier Licence Agreements.

## Other Income

Note - 21

(₹ in lakh)

| Particulars  | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|--|-------------------------|-------------------------|
| <b>Other Income</b>                                  |                         |                         |
| Interest (Gross) From- Banks/ Financial Institutions | 2,425.70                | 2,397.03                |
| Loan to Employees                                    | 0.63                    | 0.68                    |
| On Income Tax Refund                                 | -                       | 10.78                   |
| Others   | 144.94                  | 25.04                   |
| Profit on Sale of Assets                             | 4.39                    | 3.14                    |
| Gain on Foreign Exchange Variation                   | 13.81                   | 33.30                   |
| Grant from the Ministry of Tourism                   | 0.89                    | 0.89                    |
| Others   | 608.30                  | 630.00                  |
| <b>TOTAL</b>   | <b>3,198.66</b>         | <b>3,100.86</b>         |

**Note:-**

Out of the balance amount of ₹ 8.91 lakh (Previous Year ₹ 14.30 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 0.89 lakh incurred during the year has been charged to the respective head of expenditure. The amount equivalent to the grant related cost incurred during the year has accordingly been recognised as income. The balance of ₹ 8.02 lakh (Previous Year ₹ 8.91 lakh) at the close of the year has been presented in the accounts as Deferred Government grant after Reserve and Surplus.



## Cost of Material Consumed and Services Rendered

Note - 22

(₹ in lakh)

| Particulars  | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|--|-------------------------|-------------------------|
| <b>(A) Cost of Consumption of Raw Materials,<br/>Other Materials Sold and Service Rendered</b> |                         |                         |
| <b>i) Provisions, Beverages &amp; Smokes</b>   |                         |                         |
| Opening Stock  | 104.13                  | 77.56                   |
| Add:- Purchases & Adjustments  | 2,397.70                | 2,325.10                |
| Less:- Transfer & Adjustments  | 270.81                  | 330.26                  |
| Closing Stock  | 92.82                   | 104.13                  |
| <b>TOTAL (i)</b>   | <b>2,138.20</b>         | <b>1,968.27</b>         |
| <b>ii) Wine &amp; Liquors</b>  |                         |                         |
| Opening Stock  | 157.74                  | 227.65                  |
| Add:- Purchases & Adjustments  | 666.19                  | 210.20                  |
| Less:- Transfer & Adjustments  | 113.94                  | 34.21                   |
| Closing Stock  | 350.10                  | 157.74                  |
| <b>TOTAL (ii)</b>  | <b>359.89</b>           | <b>245.90</b>           |
| <b>iii) Other Material</b>   |                         |                         |
| Opening Stock  | -                       | -                       |
| Add:- Purchases & Adjustments  | 24.55                   | 50.64                   |
| Less:- Transfer & Adjustments  | -                       | -                       |
| Closing Stock  | -                       | -                       |
| <b>TOTAL (iii)</b>   | <b>24.55</b>            | <b>50.64</b>            |
| <b>TOTAL (i+ii+iii) (A)</b>  | <b>2,522.64</b>         | <b>2,264.81</b>         |
| <b>(B) Cost of Service Rendered/Purchased:-</b>  |                         |                         |
| Execution of Project   | 1,121.74                | 524.82                  |
| Other Services   | 1,278.57                | 1,698.12                |
| <b>TOTAL (B)</b>   | <b>2,400.31</b>         | <b>2,222.94</b>         |
| <b>TOTAL (A)+(B)</b>   | <b>4,922.95</b>         | <b>4,487.75</b>         |
| Less: Charged to the<br>Ministry of External Affairs   | 15.23                   | 13.57                   |
| <b>GRAND TOTAL</b>   | <b>4,907.72</b>         | <b>4,474.18</b>         |

**NOTE :**

Cost of consumption of Raw material, other materials sold and services rendered includes cost of food consumed by operational staff at catering establishments (amount not ascertained).

## Purchases of Traded Goods

Note - 23

(₹ in lakh)

| Particulars                       | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|-----------------------------------|-------------------------|-------------------------|
| i) Provisions, Beverages & Smokes | 8.66                    | 35.84                   |
| ii) Wine & Liquors                | 583.62                  | 498.26                  |
| iii) Other Material               | 1,261.44                | 1,031.06                |
| <b>TOTAL</b>                      | <b>1,853.72</b>         | <b>1,565.16</b>         |

## Change in Inventory of Traded Goods

Note - 24

(₹ in lakh)

| Particulars                       | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|-----------------------------------|-------------------------|-------------------------|
| <b>OPENING STOCK</b>              |                         |                         |
| i) Provisions, Beverages & Smokes | 2.33                    | 36.94                   |
| ii) Wine & Liquors                | 260.20                  | 240.40                  |
| iii) Other Material               | 31.73                   | 71.14                   |
| <b>TOTAL</b>                      | <b>294.26</b>           | <b>348.48</b>           |
| <b>CLOSING STOCK</b>              |                         |                         |
| i) Provisions, Beverages & Smokes | -                       | 2.33                    |
| ii) Wine & Liquors                | 375.12                  | 260.20                  |
| iii) Other Material               | 37.84                   | 31.73                   |
| <b>TOTAL</b>                      | <b>412.96</b>           | <b>294.26</b>           |
| <b>CHANGE IN INVENTORY</b>        | <b>(118.70)</b>         | <b>54.22</b>            |
| <b>TOTAL</b>                      | <b>(118.70)</b>         | <b>54.22</b>            |

## Employees' Remuneration and Benefits

### Note - 25

| Particulars   | (₹ in lakh)          |                      |
|---|----------------------|----------------------|
|   | Year Ended 31.3.2014 | Year Ended 31.3.2013 |
| Salaries, Wages & Bonus   | 12,634.46            | 12,629.43            |
| Employer's Contribution to Provident & Other Funds                    | 1,071.32             | 1,026.81             |
| Staff Welfare Expenses (Including contribution to Staff Welfare Fund) | 874.56               | 845.99               |
| Uniform   | 56.20                | 56.13                |
| Provision/Contribution to Employees' Gratuity Scheme (net)            | 844.18               | 1,175.53             |
|   | 15,480.72            | 15,733.89            |
| Less:-  |                      |                      |
| Charged to the Project of the Ministry of Tourism                     | 56.01                | 61.92                |
| Charged to the Project of the Ministry of External Affairs            | 185.51               | 168.42               |
| <b>TOTAL</b>  | <b>15,239.20</b>     | <b>15,503.55</b>     |

**Note:-**

The disclosure relating to AS-15 (Revised) - Employees Benefits:-

- Provident Fund - 12% of Basic (including dearness pay) plus Dearness Allowance, contributed to Recognised Provident Fund
- Leave Encashment (P/Leave & half pay Sick leaves as applicable)-Payable on separation to eligible employees who have accumulated earned leave
- Gratuity- Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service for 5 years or more. Maximum limit is ₹ 10.00 lakh.

In terms of Accounting Standard 15 (Revised) on Employees Benefits, the following disclosure sets out the status as required:-

| Particulars  | (₹ in lakh) |                  |                |
|--|-------------|------------------|----------------|
|  | Gratuity    | Leave Encashment | Half Pay Leave |
| <b>Fair Value of Defined Obligation</b>                        |             |                  |                |
| Present value of projected benefit obligation as at 1.04.2013  | 8,218.44    | 4,047.65         | 47.70          |
| Current service cost   | 325.96      | 202.14           | 5.51           |
| Interest cost  | 736.68      | 362.40           | 4.29           |
| Actuarial gain(-) / losses (+)                                 | 276.64      | (286.59)         | (15.85)        |
| Past service cost  | -           | -                | -              |
| Benefits paid  | (1,061.12)  | (12.17)          | -              |
| Present value of projected benefit obligation as on 31.03.2014 | 8,496.60    | 4,313.43         | 41.65          |
| <b>Reconciliation of Fair Value of Assets and Obligations</b>  |             |                  |                |
| Fair value of plan assets as on 1.04.2013                      | 6,829.79    | 44.31            | -              |
| Acquisition adjustment   | -           | -                | -              |
| Expected return on plan assets                                 | 640.54      | 2.99             | -              |
| Actual Company's* contribution                                 | 1,257.29    | -                | -              |

(₹ in lakh)

| Particulars  | Gratuity                | Leave Encashment        | Half Pay Leave     |
|--|-------------------------|-------------------------|--------------------|
| Actuarial gain(-) / losses(+)  | (145.45)                | 0.04                    | -                  |
| Benefits paid/ adjustments   | (1,069.64)              | (2.82)                  | -                  |
| Fair value of plan assets as on 31.03.2014   | 7,512.53                | 44.44                   | -                  |
| Present value of defined obligation  | 8,496.60                | 4,313.43                | 41.65              |
| Net liability recognised in the Balance Sheet (Note-7)   | 984.06                  | 4,268.99                | 41.65              |
| <b>Expenses recognised in the Statement of Profit &amp; Loss for the year ended 31.03.2014</b> |                         |                         |                    |
| Current service cost   | 325.96                  | 202.14                  | 5.51               |
| Interest cost  | 736.68                  | 362.40                  | 4.29               |
| Actuarial gain(-) / losses (+)   | 422.24                  | (286.54)                | (15.85)            |
| Past service cost  | -                       | -                       | -                  |
| Expected return on plan assets   | (640.69)                | (2.99)                  | -                  |
| Employees remuneration & benefit charged to Profit & Loss A/c-                                 |                         |                         |                    |
| a) Gratuity  | 844.18                  | -                       | -                  |
| b) Others  | -                       | 275.01                  | (6.05)             |
| <b>Gratuity Fund Investment details (Fund manager wise, to the extent funded)</b>              |                         |                         |                    |
| Life Insurance Corporation of India  | 1,894.26                | 44.44                   | -                  |
| Life Insurance Corporation of India  | 2,092.32                | -                       | -                  |
| Metlife Traditional Fund   | 532.84                  | -                       | -                  |
| Metlife Unit Linked  | 264.60                  | -                       | -                  |
| AVIVA Life Insurance Company India Ltd.  | 559.48                  | -                       | -                  |
| HDFC Standard Life Insurance   | 284.79                  | -                       | -                  |
| Birla Sun-life Insurance Fund  | 603.17                  | -                       | -                  |
| Future Generali India Fund   | 1,281.07                | -                       | -                  |
| <b>Total</b>   | <b>7,512.53</b>         | <b>44.44</b>            | <b>-</b>           |
| <b>Actuarial assumption</b>  |                         |                         |                    |
| Discount rate  | 9.00% per annum         | 9.00% per annum         | 8.00% per annum    |
| Mortality rate   | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate | LIC 94-96 Ultimate |
| Withdrawal rate (18-30 years)  | 0.00% p.a.              | 0.00% p.a.              | 0.00% p.a.         |
| Withdrawal rate (31-44 years)  | 1.00% p.a.              | 1.00% p.a.              | 1.00% p.a.         |
| Withdrawal rate (44-58 years)  | 3.00% p.a.              | 3.00% p.a.              | 3.00% p.a.         |
| Expected rate of return  | 9.00% p.a.              | 9.00% p.a.              | 8.00% p.a.         |
| Future salary increase   | 5.00% p.a.              | 5.00% p.a.              | 5.00% p.a.         |
| Retirement age   | 58 years                | 58 years                | 58 years           |

## Finance Cost

Note - 26

(₹ in lakh)

| Particulars                                   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|---|-------------------------|-------------------------|
| Interest paid to Banks/Financial Institutions | 28.88                   | 20.72                   |
| Other Borrowing Cost                          | -                       | -                       |
| <b>TOTAL</b>                                  | <b>28.88</b>            | <b>20.72</b>            |

## Operating and Other Expenses

Note - 27

(₹ in lakh)

| Particulars   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|---|-------------------------|-------------------------|
| <b>Travelling and Conveyance</b>                                      |                         |                         |
| - Directors   | 28.28                   | 19.58                   |
| - Officers and Staff  | 164.33                  | 156.35                  |
| - Staff Car Expenses  | 84.58                   | 86.31                   |
|   | <b>277.19</b>           |                         |
| <b>Rent, Rates, Taxes and Insurance</b>                               |                         |                         |
| - Rent  | 681.07                  | 971.52                  |
| - Rates & Taxes   | 333.68                  | 1,246.47                |
| - Insurance   | 107.88                  | 101.65                  |
| - Bar Licence Fees  | -                       | -                       |
|   | <b>1,122.63</b>         |                         |
| <b>Repairs &amp; Maintenance</b>                                      |                         |                         |
| - Plant and Machinery   | 629.05                  | 374.48                  |
| - Building  | 454.45                  | 530.98                  |
| - Vehicles  | 6.48                    | 11.22                   |
| - Others  | 1,357.78                | 1,174.67                |
|   | <b>2,447.76</b>         |                         |
| <b>Auditors' Remuneration (Including Branch Auditors)</b>             |                         |                         |
| - Audit fees  | 21.08                   | 27.55                   |
| - Tax Audit Fees  | 6.27                    | 8.16                    |
| - Certification   | 0.51                    | 0.51                    |
| - Taxation Matters  | -                       | -                       |
| - Company Law Matters   | -                       | -                       |
| - Out of Pocket Expenses  | 0.51                    | 0.33                    |
|   | <b>28.37</b>            |                         |
| Directors' Sitting Fees   | 0.05                    | -                       |
| Legal and Professional Charges  | 158.93                  | 188.07                  |
| Printing, Stationery and Periodicals                                  | 144.62                  | 111.86                  |
| Communication Expenses  | 121.00                  | 108.79                  |
| Power & Fuel  | 3,083.12                | 3,081.96                |
| Advertisement, Publicity & Sales Promotion                            | 413.70                  | 615.68                  |
| Litigation Loss*  | 930.26                  | 573.78                  |
| Entertainment   | 13.62                   | 20.39                   |
| Band and Music  | 60.68                   | 44.58                   |
| Expenses on Cultural Shows  | 8.29                    | -                       |
| Commission to Travel Agents & Credit Card Companies                   | 85.19                   | 72.72                   |
| Licensees' Share of Profit  | 3.09                    | 205.03                  |
| Miscellaneous Expenses  | 78.94                   | 75.79                   |
| Upkeep, Service Cost and Other Operating Expenses                     | 15,202.07               | 12,872.34               |
| Loss on Sale of Fixed Assets/Write off of Assets                      | 0.70                    | 2.85                    |
| Loss on Collaboration Ventures  | -                       | -                       |
| Depletion/Consumption & Breakage in Crockery, Cutlery & Utensils etc. | 40.79                   | 48.02                   |
| Reimbursement of Expenses   | 659.62                  | -                       |
| Interest paid on Advances   | -                       | -                       |
| Bad Debts   | 2.12                    | 16.07                   |

(₹ in lakh)

| Particulars   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|---|-------------------------|-------------------------|
| Loss on Foreign Exchange Variations                             | 1.47                    | 4.75                    |
| Advances Written Off  | 0.10                    | 3.49                    |
| Provision for Doubtful Debts & Advances                         | 456.84                  | 521.58                  |
| Provision for Impairments                                       | 4.42                    | 3.26                    |
| Provision for Diminution of Fixed Assets                        | -                       | -                       |
| Provision for Inventory Write Down/<br>Write Off of Inventories | 9.32                    | 1.23                    |
| Corporate Social Responsibility                                 | 10.90                   | 1.38                    |
| Marketing, Guidance & Supervision Expenses                      | -                       | 7.68                    |
| Demand & Notice   | -                       | -                       |
| <b>TOTAL (A)</b>  | <b>25,365.79</b>        | <b>23,291.08</b>        |
| Less:-  |                         |                         |
| Charged to the Project of the Ministry of Tourism               | 14.70                   | 12.67                   |
| Charged to the Project of the Ministry of External Affairs      | 113.91                  | 96.83                   |
| Departmental Expenses Charged to ITDC Unit                      | -                       | -                       |
| <b>TOTAL (B)</b>  | <b>128.61</b>           | <b>109.50</b>           |
| <b>TOTAL (A-B)</b>  | <b>25,237.18</b>        | <b>23,181.58</b>        |

\*Includes ₹ 880.09 lakh being compensation awarded by double bench of Hon'ble Delhi Court vide order dated 30.05.2014 including interest and cost of ₹ 696.75 lakh to Ms. S.L. Beer, an Australian lady relating to a matter pertaining to erstwhile Akbar Hotel.

**Note:-**

1. Expenses on Generation of Power:-

(₹ in lakh)

| Particulars        | Current Year  | Previous Year |
|--------------------|---------------|---------------|
| Salaries and Wages | 5.46          | 5.37          |
| Fuel               | 30.84         | 56.74         |
| Depreciation       | 16.06         | 15.86         |
| Repairs            | 70.13         | 33.45         |
| Others             | -             | -             |
| <b>Total</b>       | <b>122.49</b> | <b>111.42</b> |

(Above excludes expenditure incurred by some units which is not ascertainable.)

2. No separate charge is made to Repairs and Maintenance Account in respect of salaries, wages etc. of staff deployed for repairs carried out departmentally.
3. ₹ 147.06 lakh (Previous Year ₹ 349.62 lakh) spent on renovation during the year at various hotels has been segregated as relating to capital ₹ 75.35 lakh (Previous Year ₹ 80.78 lakh) and revenue expenditure ₹ 71.71 lakh (Previous Year ₹ 268.84 lakh) based on certificate issued by the Project engineer and which have been relied upon by the auditors.

**Exceptional Items**

**Note - 28**

(₹ in lakh)

| Particulars  | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|--|-------------------------|-------------------------|
| Provisions no Longer required written back<br>(Negative if Profit) | (134.39)                | (191.84)                |
| <b>TOTAL</b>   | <b>(134.39)</b>         | <b>(191.84)</b>         |

**Note:-**

The Provisions/liabilities no longer required written back during the year and disclosed in statement of Profit & Loss Account are given as under:-

(₹ in lakh)

| Particulars                                    | Current year  | Previous Year |
|--|---------------|---------------|
| 1. Provision for Doubtful Debts and Advances   | 129.22        | 28.68         |
| 2. Depreciation                                | 18.96         | 1.04          |
| 3. Cost of Material Sold and Services Rendered | 16.97         | 5.37          |
| 4. Salaries, Wages and Benefits                | 11.63         | 23.57         |
| 5. Repairs and Maintenance                     | 6.59          | 8.07          |
| 6. Upkeep & Service Cost                       | 2.88          | -             |
| 7. Other Operating and Administrative Expenses | 3.07          | 54.95         |
| 8. Provision for Diminution in Fixed Assets    | -             | -             |
| 9. Provision for Inventory Written Down        | -             | 6.92          |
| 10. Legal & Professional Charges               | -             | -             |
| 11. Rates & Taxes                              | (54.93)       | 62.01         |
| 12. Communication Exp.                         | -             | -             |
| 13. Bank Balance                               | -             | 1.23          |
| 14. Power & Fuel                               | -             | -             |
| <b>Total</b>                                   | <b>134.39</b> | <b>191.84</b> |



## Prior Period Adjustments

Note - 29

(₹ in lakh)

| Particulars                       | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|-----------------------------------|-------------------------|-------------------------|
| Prior Period Income (Negative)    | (55.16)                 | (16.99)                 |
| Prior Period Expenses/Adjustments | 321.33                  | 188.60                  |
| <b>TOTAL</b>                      | <b>376.49</b>           | <b>205.59</b>           |

Income/expenditure and adjustment relating to earlier years charged to Statement of Profit & Loss are as follows:-

(₹ in lakh)

| Particulars   | Current Year   | Previous Year  |
|---|----------------|----------------|
| <b>Income:</b>  |                |                |
| 1. Beer, Wine and Spirit Sales  | -              | -              |
| 2. Income from Services Rendered :  |                |                |
| Room Rent/Licence Fee   | 0.41           | 16.65          |
| Consultancy   | (47.96)        | (49.45)        |
| 3. Others :   | (10.80)        |                |
| Employees' Remuneration and Benefits                                      | -              | 0.41           |
| Rent Recovery   | 0.19           | -              |
| Miscellaneous Income  | (2.40)         | 14.05          |
| Cost of Sales   | (1.61)         | 1.41           |
| Income from Hired Vehicles  | -              | -              |
| Depreciation  | 0.58           | -              |
| Interest  | -              | -              |
| Electricity & Water Charges   | 6.43           | (0.06)         |
| <b>Total</b>  | <b>(55.16)</b> | <b>(16.99)</b> |
| <b>Expenditure:</b>   |                |                |
| 1. Cost of Consumption of Raw Material, Other Materials Sold and Services | (11.80)        | 5.16           |
| 2. Employees' Remuneration and Benefits                                   | 17.60          | 42.07          |
| 3. Travelling and Conveyance  | 0.78           | 2.62           |
| 4. Rent, Rates, Taxes and Insurance                                       | 16.19          | 26.70          |
| 5. Repairs and Maintenance  | 10.47          | 14.41          |
| 6. Legal and Professional Charges   | 4.61           | 0.17           |
| 7. Printing, Stationery and Periodicals                                   | (0.08)         | (0.06)         |
| 8. Communication Expenses   | 0.46           | 0.42           |
| 9. Power and Fuel   | (0.62)         | (0.23)         |
| 10. Advertisement, Publicity and Sales Promotion                          | (6.65)         | 1.09           |
| 11. Sundry Expenses   | 21.54          | (0.13)         |
| 12. Upkeep and Service Cost and Other Operating Expenses                  | 20.63          | 11.06          |
| 13. Depreciation  | 247.88         | 67.01          |
| 14. Newspaper, Books & Magazines  | -              | 0.03           |
| 15. Payment to Hired Vehicles   | -              | 3.88           |
| 16. Consultancy   | -              | 10.15          |
| 17. Hire Charges  | (0.06)         | 2.93           |
| 18. Commission Charges  | -              | 0.60           |
| 19. Freight   | -              | 0.19           |
| 20. Audit Fee   | (0.01)         | 0.53           |
| 21. Fees, Subscription & Membership Fees                                  | 0.39           | -              |
| <b>Total</b>  | <b>321.33</b>  | <b>188.60</b>  |

## Earning Per Share

Note - 30

The calculation of Earning per share as per Accounting Standard - 20 is as under:-

| Particulars   | Year Ended<br>31.3.2014 | Year Ended<br>31.3.2013 |
|---|-------------------------|-------------------------|
| <b>BASIC &amp; DILUTED</b>                                      |                         |                         |
| Net Profit/(Loss) available for Equity Shareholders (₹ in lakh) | 811.15                  | 305.21                  |
| Weighted Number of Equity Shares of ₹ 10 each                   | 8,57,69,400             | 8,57,69,400             |
| Basic & Diluted earnings per share (in ₹)                       | 0.95                    | 0.36                    |

**Note - 31**

**Contingent Liabilities and Commitments**

| (₹ in lakh)   |                      |                      |
|---|----------------------|----------------------|
| Particulars   | Current Year         | Previous Year        |
| <b>A. Contingent Liabilities</b>  |                      |                      |
| (a) Claims against the Corporation not acknowledged as debts  |                      |                      |
| (i) Claims against the Corporation not acknowledged as debts [includes for property tax ₹ Nil lakh (P.Y. ₹ 31.26 lakh), demands from custom authority ₹ 18,523.84 lakh (P.Y. ₹ 18525.97 lakh) and are subjudice].       | 77,832.46            | 47,407.65            |
| (ii) Guarantees executed in favour of various authorities, banks and financial Institution  | 484.84               | 409.46               |
| (iii) Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 17.59 lakh (P.Y. ₹ 17.59 lakh)]   | 1,207.39             | 482.69               |
| (iv) Sales Tax matters in appeal [includes ₹ 2,465.62 lakh (Previous Year ₹ 2,045.40 lakh) in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal / High Court]. | 2,949.80             | 2,529.51             |
| (v) (a) Liability towards service tax (including interest thereon) pertaining to banqueting, including catering activities, at Hotels up to 31.03.2007.   | Amount unascertained | Amount unascertained |
| (b) Liability towards work contract tax (including interest thereon) pertaining to building repair work carried at units.   |                      |                      |
| <b>B. COMMITMENTS</b>   |                      |                      |
| Estimated amount of contracts remaining to be executed on capital account (net of advances and excluding escalation in rates, if any) (on completion, part of the work may result as revenue expenditure).              | 501.98               | 70.09                |

Note No. (1) Contingent Liabilities at Sl. No. A(a)(i), A(a)(iii) & A(a)(iv) are dependent upon court decision/out of court settlement/disposal of appeal etc.

Note No. (2): Amount indicated as Contingent liability/ claims against the Corporation only reflect basic value. Legal and other costs being indeterminable at this stage are not considered.

Note No (3): Contingent liabilities at a(i) above includes ₹ 4,821.30 lakh, (Previous year ₹ 4,547.10 lakh) in respect of matters under arbitration with suppliers in respect of works relating to supply of furniture and furnishing of flats on behalf of Delhi Development Authority (DDA). However, the MoU with DDA indicates that the payments of decreed amounts, if any, as decided by arbitrator/court of law will be made by DDA.

(C) The Utkal Ashok Hotel Corporation Limited, Puri has neither ascertained nor provided for any liability that may arise due to non-deduction of Tax on provisions made for payment of Interests to the holding company to the tune of ₹ 22.47 lakh (Previous Year ₹ 19.74 lakh), the liability on account of interest that may become payable for such non-deduction and non-payment of dues to Central Govt. account under the Income Tax Act, 1961. Since the Company is not in operation, any liability arising therefore shall be recognized in the year of adjudication/ payment.

(D) In Utkal Ashok Hotel Corporation Limited, Puri, no provision has been made for

liabilities which may arise due to pending legal cases in the court of law on account of wage revision w.e.f. 01.01.1992. the same shall be recognised on the basis of actual due.

(E) In Utkal Ashok Hotel Corporation Limited, Puri, the damages that may arise and become payable on the delayed deposits of Statutory Dues in relation to Provident Fund and ESI etc. could not be ascertained and therefore has not been provided for. The expenses if any shall be accounted for in the year of adjudication and payment.

(F) The Employees State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totalling ₹ 758.60 lakh (P.Y. ₹ 730.06 lakh) towards ESI dues in respect of four hotel/catering units against which the Corporation holds a deposit of ₹ 334.85 lakh (P.Y. ₹ 327.20 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts ₹ 310.09 lakh and amount deposited ₹ 24.76 lakh). Against this the Corporation holds a liability of ₹ 215.43 lakh (P.Y. ₹ 193.41 lakh) towards ESI dues. No provision has been made for the balance of ₹ 543.17 lakh (P.Y. ₹ 536.65 lakh) as the matter is subjudice and pending finality in the matter, the same has been included under Contingent Liabilities at Sl. No. A(a)(i) above.

(G) M/s Airports Authority of India(AAI) and other private airport operators had levied

service tax on their billings for licence fee/royalty for Duty Free Shops at various locations and Ashok Airport Restaurant w.e.f. 10.9.2004. However, the Circular dated 17.9.2004 issued by Government of India provides that the activity of renting, leasing out part of airport/civil enclave premises does not amount to rendering of services and the license fee/royalty payable in this regard is not subject to service tax. Similar views on non levying of service tax on such licence fee/royalty have also been opined by tax consultants. The issue is also under consideration by the Director General of Central Excise Intelligence. Pending clarifications, no provision has been made for the estimated liability, towards service tax for the period from 10.9.2004 to 31.3.2008 for all the ten duty free shops, which works out to ₹ 1,779.49 lakh (Previous year ₹ 1,779.49 lakh).

(H) The Corporation had taken a property on rent from the Custodian of Enemy Property in 1965. Subsequently, the said property was released in favour of present owner by the Custodian. The owner had filed a suit for recovery of the possession of the said property. The Hon'ble High Court decided the matter in favour of the owner and the Corporation was directed to vacate the property. The Hon'ble high court also fixed the rent @ ₹ 30,000/- for the month of January 1980 only on lumpsum/adhoc basis along with interest and also appointed a Local Commissioner to determine the amount of rent for the period from 1.2.1980 till date of handing

over the possession of the property. Aggrieved by the decision, a Special Leave Petition before the Hon'ble Supreme Court was filed which was dismissed by the court & upheld the earlier judgement of the Hon'ble High Court. Accordingly, the premises was vacated & possession handed over to the owner on 28.02.2007. The Local Commissioner has rejected the claim of approx ₹ 300 crore of Shri Anil Kumar Khanna & Ors on account of mesne profits and has calculated the mesne profit by taking the base rent of ₹ 9.37 per sq ft per month with the increase of 15 % every year and interest @ 12 % p.a. as mentioned in the Report. The total amount payable as per Local Commissioner order comes to ₹ 12,15,55,555/- as on February 2007 Further interest @ 12 % p.a. is payable, as per report, till the payment. Aggrieved by this decision of the local commissioner ITDC has filed its Objections to High Court. The Owners / Plaintiffs have also filed Objections to the Report wherein they have claimed ₹ 2,96,23,97,284/- w.e.f. 01.02.1980 till the date of possession of the property i.e. 28.02.2007. The matter is listed on 28.8.2014 for arguments. Pending finalization of the matter no provision has been made in the accounts and the demand of the owner have been included under contingent liability A(a)(i) above.

- I. The matter relating to determination of property tax was subjudice in the Hon'ble High Court of Delhi. During proceedings

NDMC offered a basis for determination of property tax for assessing the hotel properties to which ITDC also agreed. Accordingly, the Hon'ble High Court vide its orders dated 19.10.2010 disposed off the said petition by directing NDMC to reassess the property tax due from hotels and hotels to fully cooperate in the matter. Accordingly, the NDMC vide its assessment orders dated 31.03.2013 made the fresh assessment up to 31.03.2009 and gave a basis of determination of property tax which was agreed by ITDC.

In compliance to the assessment order, a provisional liability of ₹ 2,050.66 lakh towards property tax due for the hotel for the years up to 2008-09 have been worked out and accounted for in the accounts in earlier years. Further, Hotels have adopted the same formula for determining the property tax for the years from 2009-10 to 2013-14 whereas NDMC is raising bills as per old basis i.e the basis it was following before the court orders. Since the basis of determination of property pursuant to the court order has already been agreed by NDMC and ITDC, ITDC has not accepted the demands and submitted representations to NDMC Besides, NDMC has not made assessment for the years 2009-10 to 2013-14. Therefore, pending the final resolution in the matter, the difference of ₹ 1,282.36 lakh between the property tax demanded by NDMC (₹ 2,041.45 lakh) and property tax admitted by ITDC (₹ 759.09 lakh) has been disclosed as "Contingent Liabilities" under A(a)(i) Above.

## Note - 32

### General Notes

- (a) Confirmation of balances have not been received in most of the cases of Trade receivable, Trade payable, Loans and Advances and Deposits. Besides in a few units, balances in customers accounts are under reconciliation with the General Ledger control account balances. Effect on the accounts on due confirmation, reconciliation and adjustments thereof cannot be indicated at this stage.
- (b) Following past practice, consumption of Stocks, stores, crockery, cutlery etc. has been worked out by adding opening balances to purchases and deducting therefrom closing balance based on physical inventories valued as per accounting policy.
- (c) The Corporation has been managing Hotel Bharatpur Ashok and Kosi Restaurant owned by the Ministry of Tourism and the profit/loss in respect of these units is accounted for by the Corporation in the respective notes of Statement of Profit & Loss Account.
- (d) Company entered into an Agreement dt. 19th February, 2002 with M/S Maruti Udyog Ltd. for renewal of Sub-Lease from 1st February, 2002 to 31st January, 2011 and another period of nine years thereafter subject to enhancement of rent in respect of the property comprising of Workshop cum Depot constructed on Plot No. C-119 Naraina Industrial Area Phase-

I, New Delhi. As per terms of agreement the entire rent for a period of 9 years was paid by Maruti Udyog Ltd in advance. During the currency of the lease period, M/S Maruti Udyog Ltd carried out additional construction in the said premises and in the process the Workshop cum Depot that had been let out was demolished and rendered extinct which was neither envisaged nor intended in the Sub-Lease Agreement. Therefore, a legal notice dt. 14th June, 2010 was given to Maruti Udyog Ltd to vacate the premises w.e.f. 1.7.2010. The balance amount of advance rent lying with ITDC amounting to ₹ 25,01,849/- was accordingly returned to M/S Maruti Udyog Ltd. Applications dt. 1.7.2010 was filed by ITDC for eviction of premises and recovery of damages under Public Premises (Eviction of Unauthorized Occupants) Act, 1971 before H'ble Estate Officer. In the meanwhile Maruti Udyog Ltd. filed a writ petition in H'ble Delhi High Court against the eviction and recovery applications of ITDC which has been dismissed by the Hon'ble High Court. Against the order of H'ble High Court Maruti Udyog Limited had filed an appeal before the Division Bench which was also simultaneously dismissed. Another Arbitration Petition had been filed by Maruti Udyog Ltd. before Hon'ble High Court for appointment of Arbitrator. Hon'ble High Court vide its order dt 29.09.2011 appointed Arbitrator with certain directions against the aforesaid order. ITDC has filed Writ Petition praying for stay of Arbitration proceedings. The matter is pending before H'ble High Court. Maruti Udyog Limited has also filed a writ petition against the order dated 29.09.2011 before the H'ble Supreme



Court of India. Proceedings initiated by MUL before Hon'ble High court and Hon'ble Supreme Court have disposed off. The matter of recovery of possession and recovery of amount are now fixed for 19.08.2014. Pending legal proceedings in the matter, the premises has not yet been vacated by M/S Maruti Udyog Ltd.

(e) In respect of Assam Ashok Hotel Corporation Limited disputed billing revenue of ₹ 245.59 lakh is not accounted during the year 2006-07, as hotel has gone for arbitration case with 33rd National Games 2007 authority to release disputed billing balance toward the Catering Service during the National Games events. As the matter is disputed and Company is contemplating for settlement through Arbitration.

(f) Disclosure in accordance with Accounting Standard- 7 - Construction Contracts

|  | (₹ in lakh) |
|--|-------------|
| a) Aggregate amount of Revenue Recognised up to the reporting date | 14,299.70   |
| b) Aggregate cost incurred up to reporting date                    | 12,949.34   |
| c) Revenue Recognised during the current financial year            | 1,219.75    |
| d) Cost incurred during the financial year                         | 1,139.30    |
| e) Total amount of funds received up to the Reporting date         | 15,662.63   |
| f) Advance due to customers up to Reporting Date                   | 4,489.73    |
| g) Advance due from Customers up to Reporting Date                 | 263.02      |

(g) Disclosure in pursuance of Accounting Standard -19 on Leases:-

The Corporation's leasing arrangements are generally in respect of operating lease for premises (residential, office accommodation, and godowns etc). These leasing arrangements are not non-cancellable and are also usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals paid/payable are charged as Rent under Employees Remuneration & Benefits (Note-25) & Operating and Other Expenses (Note-27). In some of the hotel units, arrangements made with other parties to operate restaurants and other business premises are on licence basis which are also not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

(h) ADDITIONAL INFORMATION PURSUANT TO THE REQUIREMENTS OF PART II OF NOTE VI OF THE COMPANIES ACT, 1956: -

| Particulars   | (₹ in lakh)  |               |
|---|--------------|---------------|
|   | Current Year | Previous Year |
| a) Value of Imports on C.I.F. basis:                            |              |               |
| i) Beer, Wine and Spirits                                       | 552.44       | 453.80        |
| ii) Cigars and cigarettes                                       | 7.22         | 23.24         |
| Total   | 559.66       | 477.04        |
| b) Expenditure in Foreign Currency:-                            |              |               |
| i) Travelling   | 12.43        | 8.46          |
| ii) Fees & Subscription   | 6.89         | 1.75          |
| Total   | 19.32        | 10.21         |
| (c) Earnings in Foreign Currency (Direct) (on receipt basis) :- |              |               |
| i) Boarding, lodging and other facilities                       | 681.95       | 831.31        |
| ii) Sale of goods at Duty Free Shops                            | 897.00       | 1,115.00      |
| iii) Gain in Foreign Exchange (net)                             | 12.34        | 28.55         |
| Total   | 1,591.29     | 1,974.86      |

(d) (i) Amount due to Small Scale Industries, to the extent such parties have been identified from available information, of more than one lakh and for a period exceeding 30 days is ₹ NIL. (Previous year Nil)

(ii) The Government of India had promulgated "The Micro, Small and Medium Enterprises Development Act, 2006". As per the said Act, the Corporation is to identify the parties and pay them interest beyond the specified period if not paid. The Corporation is in the process of identifying the suppliers. In view of this, the liability for interest could not be worked out.

(iii) The Companies (Second Amendment) Act, 2002 provides for levy of cess, towards rehabilitation/ revival of sick industrial companies, which shall not be less than 0.005% but not more than 0.10% of the turnover or the gross receipts as the Central Government may from time to time specify in the Official Gazette. Since no notification has been issued, provision thereof has not been created.

(i) GOING CONCERN ASSUMPTION:- The Unit was incurring huge loss since its inception and was not even generating enough revenue to meet its operational expenses and had no viability to be run as a commercial entity. The Board of Directors in their meeting held on 23rd March, 2004, after reviewing the performance in view of the losses standing at ₹ 946.20

lakh up to 31.03.2003 had resolved to temporarily close down the commercial operation of the unit effective from March 2004. Subsequently, the Govt. of India directed ITDC to examine various options including long term lease in respect of Hotel Nilachal Ashok, Puri. Therefore in accordance with the decision of the Govt. of India, the Board of Directors in their meeting held on 21st June, 2005 approved the leasing out of the Hotel Nilachal Ashok, Puri for a period of 30 years. Further, the State Govt. while granting the permission vide their letter dated 26.05.2007 allowed Utkal Ashok Hotel Corp., Puri to sublease the land for a period of 40 years. The Board in its meeting held on 09.06.2008 approved the proposal of leasing out the joint venture hotel property at Puri on lease-cum-management basis for a period of 40 years. The Committee formed for this purpose has already floated the tender and the tender was awarded to M/s Paulmech Infrastructure Pvt. Ltd. for 40 years lease. The letter of intent has been issued to the lessee.

Utkal Ashok Hotel Corp. Ltd., issued termination of letter of intent letter vide letter no. ITDC/Nilachal/2013 dated 10.12.2013 due to non compliance of Clause -2 of the LOI by Paulmech. The Board of Directors in the meeting held on 19.09.2013 decided to find out the (a) possibility to run the hotel after carrying out necessary renovation (b) To demolish the hotel completely and construct a new hotel in its place (c) To run the hotel through public private partnership (PPP) model (d) To lease out the hotel on as



is where is basis through competitive bidding process after obtaining requisite clearance.

M/s Paulmech Infrastructure Pvt. Ltd., who were issued a Letter of Intent dated 19.01.2010, pursuant to the tender for 40 years lease of Hotel Nilachal Ashok, Puri have filed a Writ Petition being WP (Civil) No. 23103 of 2013 before the Hon'ble High Court at Cuttack praying for a direction to ITDC and Utkal Ashok Hotel Corporation Ltd (UAHCL) to execute the lease agreement pertaining to the lease of Hotel Nilachal Ashok, Puri in pursuance to the letter of Intent and further direction to ITDC and UAHCL to calculate interest on the amounts deposited by the Petitioner more particularly ₹ 4.41 crore since 17.2.2010, ₹ 2 crore since 28.12.2010, ₹ 1.41 crore since 29.12.2010 and ₹ 70 lakh since 07.10.2011 and to adjust the said interest towards balance payment. Thereafter M/s Paulmech filed amendment Petition seeking stay of operation of cancellation of lease as per letter dated 10.12.2013.

After filing of the above Petition, M/s Paulmech has filed an amended Petition praying inter alia for quashing the letter dated 10/12/2013 whereby the Board of Directors of OP No. 5 - UAHCL had decided to terminate the letter of Intent dated 19/01/2010.

"The matter had come up for hearing on 18.03.2014 when after hearing arguments, the Hon'ble Court has directed ITDC to file reply to the Writ Petition and reply to the interim application for stay within

two weeks. The Hon'ble Court has also ordered that third party interest may not be created till the next date of hearing. The interim order is in operation."

Therefore, in view of the position stated above, efforts have been made to revive the hotel unit of the company at Puri to run it in a commercially viable manner. The management had at no point of time intentions to close the unit permanently. In view of the temporary suspension of commercial activities and further in view of the revival process in progress as stated above the Annual Accounts for the year 2013-14 have been prepared on "Going Concern" basis/assumption.

(j) The Company Punjab Ashok Hotel Ltd. was incorporated on 11th November, 1998. The only Hotel of the subsidiary is under construction. The Hotel building is being constructed on Land measuring 5 Acres was provided by the Government of Punjab during 1998-99. Agreement for the same was executed on 30.03.2000. Accordingly the company has been granted lease hold rights for 99 years. There was no commercial activity during the Financial Year 2013-14. The construction work of companies hotel project at Anandpur Sahib has been at a standstill for quite some time for paucity of funds.

(k) Disclosure pursuant to Accounting Standard 17 on Segment Reporting is given in **Annexure "A"** to this note.

(l) Disclosure of transactions with related parties as per Accounting Standard -18, to the extent applicable, is as under: -

Key Management Personnels: -

1. Dr. Sameer Sharma  
Managing Director  
w.e.f. 12.05.2014
2. Shri Girish Shankar  
Managing Director  
w.e.f. 23.4.2013 to 12.05.2014
3. Dr. Lalit K Panwar, Ex- C&MD  
w.e.f. .21.04.2010 to 13.06.2012  
  
Dr. Lalit K Panwar, Ex- VC&MD  
w.e.f 13.06.2012 to 23.04.2013
4. Shri Ratan Kumar Okhandiar, Director  
(C&M) w.e.f. 10.07.2012
5. Sh. Trinath Behera, Director( Finance)  
w.e.f. 26.4.2013

Payment made to key management personnels and their relatives.

(Amount in ₹)

| Particulars  | Current Year | Previous Year |
|--------------|--------------|---------------|
| Remuneration | 43,14,368.00 | 43,26,577.00  |

(m) Impairment of Fixed Assets/ Capital work-in-progress at each balance sheet date and impairment loss, if any, ascertained as per Accounting Standard-28-'Impairment of Assets' issued by the Institute of Chartered Accountants of India is recognised. As on 31st March, 2014, in the opinion of the Management except to the extent of loss recognised in respect of assets not in active use, capital work-in-progress including incomplete hotel project at Gulmarg, no such impairment loss warranting recognition/provision was noticed.

(n) Disclosure in pursuance to Accounting Standard - 29 - Provisions, Contingent Liabilities and Contingent Assets:

(₹ in lakh)

| Name of the Provision | Balance as on 1.4.2013 | Provided during the year relating to 2013-14 | Provided during the year relating to 2012-13 | Payments/Adjustments during the year | Provision reversed/ written back | Closing Balance as on 31.03.2014 |
|-----------------------|------------------------|--|--|--------------------------------------|----------------------------------|----------------------------------|
| Income Tax            | 268.89                 | 396.35                                       | -  | 267.74                               | 1.15                             | 396.35                           |
| Wealth Tax            | 0.71                   | 0.68   | -  | 0.71                                 | -                                | 0.68                             |
| Dividend Tax          | -                      | 72.88  | -  | -                                    | -                                | 72.88                            |

(p) Previous years' figures have been regrouped/rearranged wherever necessary.

(V.K. Jain) Company Secretary (P.K. Aggrawal) Vice President (F&A) (Trinath Behera) Director (Finance) (Dr. Sameer Sharma) Managing Director

As per our Report of even date For V. K. Verma & Co. Chartered Accountants (FRN 000386N)

Date : 14th August, 2014  
Place : New Delhi

(Vivek Kumar)  
Partner  
(M.No. 503826)

## Annexure "A" to Note No. 32 {Sl. No. k} Segment Reporting-AS-17

(₹ in lakh)

|   | Hotel/Restaurants Operations |           | Duty Free Shops Operations |          | Travels & Tours Operations |           | ARMS & Misc. Operations |          | Construction, Consultancy & SEL Projects |            | Others     |            | Total for Company |           |
|---|------------------------------|-----------|----------------------------|----------|----------------------------|-----------|-------------------------|----------|--|------------|------------|------------|-------------------|-----------|
|   | 2013-14                      | 2012-13   | 2013-14                    | 2012-13  | 2013-14                    | 2012-13   | 2013-14                 | 2012-13  | 2013-14                                  | 2012-13    | 2013-14    | 2012-13    | 2013-14           | 2012-13   |
| <b>PRIMARY DISCLOSURE (Operation-wise)</b>  |                              |           |                            |          |                            |           |                         |          |  |            |            |            |                   |           |
| <b>1 Segment Revenue</b>  |                              |           |                            |          |                            |           |                         |          |  |            |            |            |                   |           |
| a) Total Revenue  | 28,609.29                    | 27,133.20 | 940.48                     | 1,135.17 | 13,714.21                  | 11,812.94 | 2,416.57                | 3,141.39 | 1,576.50                                 | 1,149.12   | 2,675.88   | 2,533.80   | 49,932.93         | 46,905.61 |
| b) Less Inter Segment Revenue   | 86.35                        | 94.78     | 1.27                       | -        | 114.78                     | 107.47    | 446.57                  | 659.92   | 96.50                                    | -          | 72.71      | -          | 818.18            | 862.17    |
| c) External Revenue   | 28,522.95                    | 27,038.42 | 939.21                     | 1,135.17 | 13,599.43                  | 11,705.47 | 1,970.00                | 2,481.47 | 1,480.00                                 | 1,149.12   | 2,603.18   | 2,533.81   | 49,114.76         | 46,043.45 |
| <b>2 Segment Results :-</b>   |                              |           |                            |          |                            |           |                         |          |  |            |            |            |                   |           |
| Profit/(Loss) before Interest, Tax and overheads  | 2,948.95                     | 2,333.15  | (46.84)                    | (279.42) | (103.87)                   | (119.69)  | 328.81                  | 486.69   | (814.09)                                 | (1,195.75) | 2,468.17   | 2,558.55   | 4,781.13          | 3,783.52  |
| Less: Allocable Corporate Overheads   | -                            | -         | -                          | -        | -                          | -         | -                       | -        | -  | -          | 3,689.38   | 3,181.47   | 3,689.38          | 3,181.47  |
| Less: Interest  | 28.88                        | 20.72     | -                          | -        | -                          | -         | -                       | -        | -  | -          | -          | -          | 28.88             | 20.72     |
| Less: Provision for Income Tax  | 45.78                        | 48.89     | 0.57                       | -        | -                          | -         | -                       | -        | -  | -          | 350.00     | 220.00     | 396.35            | 268.89    |
| Less: Provision for Wealth Tax  | -                            | -         | -                          | -        | -                          | -         | -                       | -        | -  | -          | 0.68       | 0.71       | 0.68              | 0.71      |
| Less: Provision for Deferred Tax  | (36.06)                      | (12.72)   | -                          | -        | -                          | -         | -                       | -        | -  | -          | (99.77)    | 59.60      | (135.83)          | 46.88     |
| Add: Provision for income tax for earlier year written back   | (0.21)                       | (4.22)    | -                          | -        | -                          | -         | -                       | -        | -  | -          | -          | 31.94      | (0.21)            | 27.72     |
| Profit/(Loss) available for appropriation   | 2,910.14                     | 2,272.04  | (47.41)                    | (279.42) | (103.87)                   | (119.69)  | 328.81                  | 486.69   | (814.09)                                 | (1,195.75) | (1,472.12) | (871.29)   | 801.46            | 292.57    |
| <b>3 Segment Assets</b><br>(Current assets plus fixed assets & WIP)   | 16,853.57                    | 18,447.73 | 803.07                     | 705.58   | 2,392.60                   | 2,518.21  | 974.64                  | 1,164.57 | 587.18                                   | 677.29     | 34,893.29  | 31,268.98  | 56,504.36         | 54,782.36 |
| <b>4 Segment Liabilities</b>  | 19,613.36                    | 18,754.94 | 804.54                     | 703.28   | 1,815.72                   | 2,191.10  | 1,563.45                | 1,298.16 | 8,991.66                                 | 9,167.42   | (3,346.83) | (3,978.00) | 29,441.90         | 28,136.91 |
| <b>5 Depreciation &amp; amortisation in respect of Segment Assets for the period</b>                        | 617.18                       | 601.50    | 2.03                       | 1.79     | 13.87                      | 14.41     | 3.66                    | 3.80     | 1.09                                     | 1.55       | 24.16      | 26.18      | 661.99            | 649.23    |
| <b>6 Cost incurred during the period to acquire Segment Assets (Tangible &amp; intangible fixed assets)</b> | 302.30                       | 417.75    | 1.13                       | 1.94     | 2.42                       | 2.98      | 2.12                    | 3.01     | 0.12                                     | 0.47       | 27.75      | 13.97      | 335.82            | 440.12    |
| <b>7 Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment</b>        | 1,210.28                     | 1,693.74  | (2.04)                     | 3.32     | 102.43                     | 102.43    | 55.18                   | 66.28    | 7.81                                     | 119.50     | 202.74     | 190.29     | 1,576.39          | 2,175.57  |

N.B. : Secondary (Geographical) disclosure is not given, since company has no overseas operations/activities.

## Cash Flow Statement for the Year ended 31st March, 2014

(₹ in lakh)

| Particulars  |            | Year Ended<br>31.3.2014 |            | Year Ended<br>31.3.2013 |
|--|------------|-------------------------|------------|-------------------------|
| <b>A Cash Flow from Operations</b>                     |            |                         |            |                         |
| Profit before Taxation                                 |            | 1,062.87                |            | 581.33                  |
| <b>Adjustments for:</b>                                |            |                         |            |                         |
| Depreciation   | 661.79     |                         | 648.98     |                         |
| Other Non Cash Item                                    | (41.80)    |                         | -          |                         |
| Deferred Government Grant                              | (0.89)     |                         | (5.39)     |                         |
| Finance Charges  | 28.88      |                         | 20.72      |                         |
| Provision for Inventory Write-down                     | 9.32       |                         | 1.23       |                         |
| Provision for Doubtful Debts & Advances                | 456.84     |                         | 521.58     |                         |
| Interest Income  | (2,571.28) |                         | (2,433.51) |                         |
| Bad Debts/Advances Written Off                         | 2.22       |                         | 19.56      |                         |
| (Profit)/Loss on Sale of Fixed Assets                  | (3.70)     | (1,458.62)              | (0.29)     | (1,227.12)              |
| <b>Operating Profit before Working Capital Changes</b> |            | (395.75)                |            | (645.79)                |
| <b>(Increase)/Decrease in Current Assets</b>           |            |                         |            |                         |
| Inventories  | (289.33)   |                         | 88.28      |                         |
| Trade Receivables                                      | 1,628.65   |                         | 519.35     |                         |
| Other Current Assets                                   | (118.56)   |                         | 113.37     |                         |
| Other Non-current Assets                               | (54.94)    |                         | 31.93      |                         |
| Long-term Loans and Advances                           | (25.89)    |                         | (35.19)    |                         |
| Short-term Loans and Advances                          | 116.43     | 1,256.36                | (673.03)   | 44.71                   |
| <b>Increase/(Decrease) in Current Liabilities</b>      |            |                         |            |                         |
| Trade Payables   | (620.64)   |                         | (864.27)   |                         |
| Other Current Liabilities                              | 2,424.12   |                         | (33.56)    |                         |
| Other Long Term Liabilities                            | (296.53)   |                         | 336.64     |                         |
| Long Term Provision                                    | (253.46)   |                         | (652.45)   |                         |
| Short Term Provision                                   | 108.47     | 1,361.96                | 60.54      | (1,153.10)              |
| <b>Cash Inflow/(Outflow) from Operations</b>           |            | 2,222.57                |            | (1,754.18)              |
| <b>Direct Taxes Paid</b>                               |            |                         |            |                         |
| Income Tax Paid  | 268.89     |                         | 689.74     |                         |
| Income Tax for Earlier years Written Back              | 0.21       | 269.10                  | (27.71)    | 662.03                  |
| <b>Net Cash Inflow/ (Outflow) from Operation (A)</b>   |            | 1,953.47                |            | (2,416.21)              |

|   |           |  |           |
|---|-----------|--|-----------|
| <b>B Cash Flow from Investing Activities</b>                    |           |  |           |
| Purchase of Fixed Assets  | (335.41)  |  | (440.13)  |
| Sale of Fixed Asset and Adjustments                             | 13.54     |  | 105.54    |
| Income from Interest/Dividends                                  | 2,571.28  |  | 2,433.51  |
| Reduction/(Addition) of Work in Progress                        | (145.09)  |  | 149.68    |
| (Increase)/Decrease in Investments                              | -         |  | -         |
| <b>Net Cash Inflow/ (Outflow) from Investing Activities (B)</b> | 2,104.32  |  | 2,248.60  |
| <b>C Cash Flow from Financing Activities</b>                    |           |  |           |
| Increase in Share Capital                                       | 518.36    |  | -         |
| Increase/(Decrease) in Borrowings                               | (177.54)  |  | 18.57     |
| Finance Charges   | (28.88)   |  | (20.72)   |
| Wealth Tax Paid   | (0.71)    |  | (0.58)    |
| Dividend Paid   | -         |  | (428.85)  |
| Dividend Tax Paid   | -         |  | (69.57)   |
| Deferred Government Grant                                       | -         |  | -         |
| <b>Net Cash Inflow/(Outflow) from Financing Activities (C)</b>  | 311.23    |  | (501.15)  |
| <b>Net Change in Cash or Cash Equivalents during the Year</b>   | 4,369.02  |  | (668.76)  |
| Cash and Cash Equivalents at the beginning of the year*         | 25,712.78 |  | 26,381.54 |
| Cash and Cash Equivalents at the end of the year*               | 30,081.80 |  | 25,712.78 |

\*For Details refer Note-18

(V.K. Jain) Company Secretary (P.K. Aggrawal) Vice President (F&A) (Trinath Behera) Director (Finance) (Dr. Sameer Sharma) Managing Director

As per our Report of even date For V. K. Verma & Co. Chartered Accountants (FRN 000386N)

Date : 14th August, 2014  
Place : New Delhi

(Vivek Kumar)  
Partner  
(M.No. 503826)

## Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of India Tourism Development Corporation Limited for the Year ended 31st March, 2014

The preparation of financial statements of **India Tourism Development Corporation Limited** for the year ended 31st March, 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 14th August, 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **India Tourism Development Corporation Limited** for the year ended 31st March, 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-  
(Vimalendra Patwardhan)  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I,  
New Delhi

Place : New Delhi  
Dated : 25th September, 2014