

भारत पर्यटन विकास निगम लि. India Tourism Development Corporation Ltd.



(भारत सरकार का उपक्रम)

(A Government of India Undertaking)

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INDIA TOURISM DEVELOPMENT CORPORATION LTD -Transcript – AGM

Date

Reference

Held on 23.12.2021 at 11.00 am

V. K. Jain: Ladies and gentlemen, I, V. K. Jain, Company Secretary, have great pleasure in welcoming you to the 56th Annual General Meeting of ITDC convened electronically through video conference. I hope you and your family members are in good health. In view of the continuing COVID-19 pandemic and continuing government guidelines to maintain social distancing, the Ministry of Corporate Affairs and SEBI have permitted companies to hold their Annual General Meeting through video conferencing/other audio-visual means, and has also allowed companies to send Annual Reports and the Notice Convening the Annual General Meeting electronically. The soft copy of the Annual Report has been sent to all the members whose email IDs are registered with the company RTA depository participants. Notice and Annual Report for the financial year 2020-21 was also made available on the company's website, website of the stock exchanges, and website of K-FIN Technologies Private Limited, the Registrar, and website of the company.

The Register of Directors and Key Managerial Personnel and their shareholding, the Register of contracts or arrangements in which the Directors are interested, and the other documents mentioned in the Notice convening this meeting are available for inspection by the members. Members seeking to inspect such documents can contact the Company Secretary. As mentioned in the Notice convening the meeting, since the meeting is being held electronically, the proxy related procedures have been dispensed with, which is in line with the regulatory requirements. ITDC Chairman, Dr. Sambit Patra, has informed that due to his occupation in some other emergent work, he will not be able to attend the AGM. Clause 44 of the Aarticles of Association of ITDC provides that in the absence of Chairman, the directors present may choose a chairperson/chairman. In this meeting, the following directors are present: Shri Ganji Kamala Vardhana Rao, Shri Piyush Tiwari, and Shri Chetan Prakash Jain. Ms. Rupinder Brar, ADG Tourism, has expressed inability to attend the meeting. I therefore request the directors present to choose one of themselves to be the Chairman of meeting.

Piyush Tiwari: Let MD be the Chairman.

V. K. Jain: I wish to inform you that Shri Ganji Kamala Vardhana Rao, Managing Director, has been chosen by the Directors present as Chairman of the meeting. M/s K-FIN Tech has confirmed the presence of quorum. I request the Chairman to call the meeting in order.

Shri Ganji Kamala Vardhana Rao: The requisite quorum is present and therefore I now call the meeting to order. Let me now introduce the Directors, representative of the President of India, and senior executives of the corporation attending the meeting through videoconference from the boardroom. Statutory auditors, secretarial auditors, and scrutinizers are joining the meeting from their respective locations.

Piyush Tiwari: I am Piyush Tiwari, Director Commercial and Marketing, ITDC.

Chetan Prakash Jain: I'm Chetan Prakash Jain, Government Nominee Director on ITDC board. I am attending the meeting from my office at Rafi Marg.

Shri Ganji Kamala Vardhana Rao: Rupinder Brar

V. K. Jain: She is on leave, sir.

Gyan Bhushan: I am Gyan Bhushan, representing the President of India. I am Economic Advisor, Ministry of Tourism.

Shri Ganji Kamala Vardhana Rao: Auditors please? Auditors, Mr. LS Khandelwal, representative of Statutory Auditors, joining us from his office in New Delhi, and Anil Singh, representative of Secretarial Auditors, joining us from his office at New Delhi. Mr. Subhadeetpa Paul, Chief Financial Officer, joining us from the boardroom. And scrutinizer, Mr. P. C. Jain, the scrutinizer for the e-voting process has joined the meeting from his office in New Delhi. Now, Mr. V. K. Jain, the Company Secretary, will describe the detailed procedures and agenda items.

V. K. Jain: The Corporation, by virtue of being in a listed company, will have to provide e-voting facility to shareholders. Voting by show of hands is no longer permitted. The Corporation has engaged the services of M/s K-FIN Technologies Private Limited to provide the facility of remote e-voting to all its members to cast their vote on all businesses entailed in the Notice. Voting will be in proportion to the shares held by the members as on the cut-off date, this being 16 December 2021 in our case. In line with the regulatory requirements, remote e-voting facility on Karvy's e-voting platform had been provided to the members of the corporation for four days starting from 19 December 2021 till 22nd December 2021.

This model was disabled for voting by K-FIN thereafter. As mentioned in the Notice convening the meeting, for such of those members who did not or could not avail the remote e-voting facilities, the corporation is pleased to provide the facility to cast their votes electronically during the AGM on all the proposed resolutions through K-FIN's instapoll mechanism.

The instapoll facility will be activated at the end of this meeting for 15 minutes. Members can avail this facility and cast their votes on the resolutions proposed in the Notice. It is reiterated that this facility is available only to those members who have not cast their votes through the remote e-voting facility provided earlier by the corporation. In case any member who has already voted in the remote e-voting, he or she will not be able to cast his or her vote again through instapoll.

The Board has appointed M/s P.C. Jain of P.C. Jain and Company, Practising Company Secretary, for scrutinising the e-voting process in a pure and transparent manner. Once all of you have cast your votes, the votes will be counted by Mr. P.C. Jain, the scrutinizer, in the presence of two witnesses who are not in the employment of the company. He will unblock the result of the remote e-voting, which will then be consolidated with the result of the voting done today during the meeting. The voting results along with the scrutinizer's report will be communicated to the stock exchange within two days, and the same will be placed on the website of the corporation and on the e-voting platform of K-FIN. The ordinary businesses set out in the AGM notice pertain to:

- 1) Adoption of a standalone financial statement for the year ended 31st March 2021, together with the report of Board of Directors, Auditors, and CAG comments thereon.
- 2) 2) Adoption of consolidated financial statement for the year ended 31st March 2021, together with the report of auditors and CAG comments thereon.
- 3) The reappointment of Mr. Piyush Tiwari, Director Commercial Marketing, who is liable to retire by rotation and had offered himself for reappointment. The special business set out in the AGM Notice as item number four pertains to appointment of Dr. Sambit Patra as part-time Non-Executive Director and Chairman of Indian Tourism Development Corporation Limited for a period of three years from the date of assumption of charge, which was 2nd December 2021, or until further orders, whichever is earlier.

To sum up, the following is the schedule for today's meeting: After the Chairman's speech, those of you who have registered as a speaker at the meeting will be provided by the moderator. Considering the time of all those attending the meeting, we request the speakers to be brief and restrict their addresses to matters relevant to the business contained in the AGM Notice. After this, the questions or queries raised by the speakers or by shareholders who have already registered the same in the link provided by K-FIN for this purpose would be tabulated and answered. After the queries have been answered, the meeting will conclude, and those of you who have not yet cast your votes will be given the opportunity to exercise the same. Now I request the Honourable Chairman to deliver the AGM speech.

Shri Ganji Kamala Vardhana Rao: Ladies and gentlemen, on behalf of the Board of Directors of India Tourism Development Corporation Limited, I send to you all a very warm welcome to your company's 56th Annual General Meeting. The Annual Report for the financial year 2021 has been sent to you and I trust it would have given you an overview of the performance of the company. May 2021 was the year of lockdown, restrictions on travel, tours, etc. Tourism, Travel, Hospitality sector has emerged as first hit, worst hit and the longest hit sector, and is likely to take considerably long period to reach pre-COVID level. Ministry of Tourism has recommended protocols covering all service providers and their related activities in Tourism and Hospitality sector to ensure a safe and prepared approach for a post-COVID-19 revival. ITDC is committed to placing health and safety on top priority while retaining traditional hospitality.

The vaccination campaign of Government of India is in full swing, and it is likely that Government of India will complete the goal of total vaccination shortly. Your corporation has achieved a total turnover of 197.4s crores during the financial year 2021 as against the 366.30 crores in the previous year 2019-20. During the financial year 2021, the Corporation has incurred a net loss of Rs. 27.204 crores as against profit after tax of 21.95 crores in previous year 2019-2020. The poor performance of the Corporation is due to COVID-19 impact on Travel and Tourism sector and lockdown restrictions. For the half-year ended September 2021, ITDC registered a total revenue of 119.26 crores with a profit before tax of 2.20 crores. Coming back to the profit, although marginal, is a positive news, as business is slowly picking up in tourism sector.

However, the recent COVID variants may cause us to lose the much-awaited happiness in the sector. Due to severe impact of COVID-19 on hospitality and travel industry and uncertainty with respect to revival, ITDC is facing a financial crunch as operations of various verticals have been hit severely due to COVID-19 pandemic. Hence, ITDC Board has not recommended dividend for the financial year 2021. As per disinvestment policy of Government of India, 9 hotel properties including 3 joint venture hotels properties have been transferred, handed over to the respective to state governments. The divestment process of remaining properties is underway.

That is, the disinvestment process of Hotel Ashoka has also been initiated. Regarding JB Hotel, Nilachal Ashoka, Puri, Supreme Court in October 2021 dismissed the appeal and pronounced judgement in favour of ITDC. Detailed status of disinvestment is given the Board's report. With the ongoing costs of disinvestment, divestment of hotels, and to look into the business expertise, ITDC Board appointed Deloitte to advise ITC to expand its existing business, and to tap the potential business related with Tourism and Hospitality sector. Deloitte has already submitted its report and the same is under examination. I convey my thanks to the shareholders and investors for their confidence reposed in the company. I am thankful to all our valued customers, suppliers, bankers, auditors, stock exchanges, and particularly the Ministry of Tourism for their guidance and invaluable support and cooperation extended to the company. I would also like to thank my board members and each and every colleague of ITDC family for their dedicated and committed effort towards making the company one of the most trusted names in travel, tourism, and hospitality sector. Thank you once again, for your support and for attending this meeting.

V. K. Jain: Next one.

Shri Ganji Kamala Vardhana Rao: The requisite quorum is present and therefore I now call the meeting of... sorry. Ladies and gentlemen, the Notice dated 30 November 2021, along with the adding them to the notice dated 2nd December 2021 are read together, convening this meeting along with a copy of the Annual Report for the financial year ended 31st March 2021 has already been circulated, and with your permission, I shall take the same as read. The Auditor's Report on the financial statement of the corporation does not have any qualifications. There are some observations in the secretarial auditor's report which have been given the Annual Report at page number 88 and the management reply on those observations have been given at page number 92 to 95.

With regard to appointment of Independent Directors and Woman Independent Director in ITDC, the administrative ministry, i.e., Ministry of Tourism has already taken action. Accordingly, the reports of auditors and secretarial auditors are not required to be read out at the meeting. Seven shareholders have registered themselves as speaker for raising queries and questions at the meeting. I now request the moderator to facilitate shareholders to speak, raise queries, questions in the sequence of their registration. In the interest of time and to give adequate opportunity to all, I request members to be judicious in time and restrict the same to two to three minutes. We will hear all the queries first, after which I would be pleased to give my response to your queries in consolidation or have them answered by my colleagues.

V. K. Jain: Speakers, queries of speakers. Moderator please, queries of the speakers. Moderator?

Moderator: Morning. Good morning, sir. We request the first speaker, Swarna Lata, to unmute your audio, switch on your camera, and ask your question, please. Ms. Swarna Lata has not joined meeting, sir. I now move on to our next speaker, Mr. Vimal Jain. Mr. Vimal Jain, we request you to unmute your audio, switch on your camera, and ask your question, sir. Sir, Mr. Vimal Jain has not joined the meeting. I now move on to our next speaker, Mr. Ajay Kumar Jain. Mr. Ajay Kumar Jain, we request you to unmute your audio and proceed, sir. Sir, Mr. Ajay Kumar Jain has not connected his audio for the meeting, sir. I now move on to our next speaker, Mr. Pramod Kumar Jain. Mr. Pramod Kumar Jain, we request you to unmute your audio, switch on your camera, and proceed, sir. Sir, Mr. Pramod Kumar Jain has not joined the meeting so far, sir. Our next speaker, Mr. Manjit Singh, has also not joined the meeting, sir. I now move to our speaker Mr. Yashpal Chopra. Mr. Yashpal Chopra, we request you to unmute your audio, switch on your camera, and ask your question, sir.

Yashpal Chopra: Hello?

Moderator: Yes, sir. You are audible, sir. Please proceed, sir.

Yashpal Chopra: Okay, sir. Honourable Chairman, myself Yashpal Chopra, calling from Delhi. My client ID is 10592847. First of all, I would just like to compliment Mr. C. P. Jain Saab, who has taken over as the chairperson for the meeting. Rather, I will ask the management, means the President of India, that he should be promoted as the Chairman full-fledged, because the Chairman existing doesn't have the time even to attend the meeting from his home and all that.

So, then I feel that he doesn't deserve to be there in this, in that capacity. Further, regarding the performance of the company, I know that the last year was totally infected by the COVID and all that, and the main concern of at that time was just to save the lives of the human beings, and our company being in the hospitality had the subject was only the human beings, and as that was not visible anywhere, so, I think the performance of the last year does not deserve to be discussed.

Further, regarding disinvestment, since you are disinvesting almost all of your hotels, I would just like to find out, what will you do with those funds, how you will? Are you going to give back the entire thing to the Government of India? Are you just flowing back in the company? And if you are flowing back into the company, then what channels you have chosen to expand your business and all that. Further, how you're going to reward those shareholders who have been having the patient of ticking with the company since long. So, that is the query that how you are flowing back the funds, and how you are going to reward the shareholder. So, of course, we've got a prestigious hotel, Ashoka Hotel of around 12 acres and that is one of the costliest hotels.

And I think that while you are disposing of other hotels, at least one hotel that is, which is the prestige sign for our company, that should be retained, if possible. Because that is very much in the heart of the capital and very, very near to the VIP area, like our PM's residence and all that. So, I think at least one thing should be there, that should be the Ashok Hotel in the company. Further, that is my observation; you are the wise people sitting there. So, you can decide in better way.

Even the government nominees are there, they are also listening to that thing. Because it is very difficult to construct a property, whereas it is just easy to dispose it off. So, rather the option should be in case you are just selling off these hotels, you should construct some more hotels near the new airports like new airport coming up. You must have your one seven-star hotel somewhere over there. So, and before I close, I must thank Mr. Jain, our Company Secretary, for getting me a chance to speak.

Your corporate governance is excellent. And in the last so many days whenever I had a query, I have told him, and he was very kind enough to respond to my queries. So that is a matter of pride, that we are having a very, very noble, and intelligent company secretary with us. And in the end, I would pray God, just bestow positivity, as now we are not afraid of Corona because we have learned how to live along with Corona This is a courtesy of our Prime Minister's vision that he has provided so many medical aids and vaccination and all that, and he, and quite often he is advising the people how to proceed with that. So now we know that we have to live along with this bad neighbour. So now there is a hustle-bustle and all that. Tourist industry is doing excellent. And in this current year of 2021, everybody is just... 21-22 and everybody's running to just see the hill stations. All those are fully occupied, because of wedding season all the hotels are fully occupied. So, I know that the positive sentiment is there, and we must take advantage of that.

Moderator: Yashpal Chopra ji, can you just close off your speech, please?

Yashpal Chopra: Best of luck to you.

Moderator: Thank you Yashpal ji. Now we will move on to the last speaker of the day, Mr. Raju from New Delhi. We request Mr. Raju from New Delhi to unmute yourself and speak, please. Okay, as there is no response from Mr. Raju, with this, we have given chance to all this seven registered speakers. And now the dais is given back to the boardroom. Thank you, sir.

Shri Ganji Kamala Vardhana Rao: Ladies and gentlemen, Mr. Chopra has raised an observation, one is an observation, and second is a comment. So, his observation of Ashoka Hotel should be retained and all. So, I would like to reply both his observation as well as his comment. First observation is that, you know, which has got a partly a question also in that, that what is happening to the money, whatever funding which is there, whether it will be flowing back to the corporation, and how are you going to spend? His question is basically, I think, how exactly the funds are being utilised. So, funds will be utilised for the promotion of ITDC. And since, you know, we don't take any financial assistance from the ministry or we don't receive any financial support, it's a debt-free company, all of you know that. So we are utilising it to meet our day-to-day expenditure, to meet our salary component, and also, because of this money, we could hold on to the payment of the salaries of the entire staff during this unprecedented pandemic that we have experience in the last two years and still experiencing. That is the question regarding the funding that we have with us. The second point is regarding Ashoka Hotel, selling of the Ashoka Hotel. So we'd like to make it very clear that we are not selling the property, we are not selling the hotel; it is only the hotel will be owned by ITDC, hotel will be owned by the company, it will be only given on O&M, operation, maintenance, and development, for certain period. It is in the process now. It will be going to the cabinet soon. So these are the two queries and observations which I wanted to reply to. Thank you.

Moderator: Sir, there was one in the chat, the question is, what is your next two years programme to overcome COVID pandemic situation?

Shri Ganji Kamala Vardhana Rao: So, this is a general question, nothing particular to ITDC. But we need to...to overcome the situation is difficult; we can only face the situation, and we're trying to bring out our best in only implementing hygiene and other protocols in our hotels. We have now Ashoka Hotel, Samrat Hotel, Kalinga, and Pondicherry. Other hotels have closed down and we are trying to implement our hygienic protocol in a better way and try to increase our, increase and improve, our earnings by giving much publicity for Ashoka Hotel and Samrat Hotel and other hotels. Only to increase our revenue through our other verticals and AITD, which is duty-free shops, which is making a little bit of profits, and the events division has really come up in a big way. And the events division has taken up many of the, or maybe most, of the functions of various ministries in Government of India and New Delhi. And recently, we are glad to inform you that the events division has conducted few events in London for Namami Gange under the Ministry of Water Resources. So we have a business plan. As I have mentioned, Deloitte has been appointed to give us more ideas how to promote our business. We will be, next two years we'll be doing a plan to increase our other non-hotel activities, which will also be promotional as well as profit oriented. Thank you. Yeah, anything else? Anybody wants to ask any other question?

Moderator: Sir, one more speaker joined just now.

Shri Ganji Kamala Vardhana Rao: Yes.

Moderator: Yeah. Mr. Ajay Kumar Jain, can you unmute yourself and speak please?

Ajay Kumar Jain: Namaskar sir, मैं Ajay Kumar Jain, company का पुराना shareholder और लगभग सारी AGM attend करी हूँ. Company ने जो भी हमें mail के द्वारा Annual Reports भेजी थी, वो सही लगी जैसी भी परिस्थिति

ओ देखते हुए. इसके लिए Finance Department को बधाइयाँ. Sir, आपके नेत्रित्व पे हमें पूरा विश्वास रहता है, जो भी आप जिस type की खबरें बाज़ार में ITDC के बारे में आती हैं, लेकिन अब हमें लगता है की नयी Chairmanship के आने के साथ और Piyush Sir, जो हमारे MD हैं, और अन्य Board के Members हैं, उनका अनुभव जो भी काम सोचेगा, करेगा, वो हमेशा shareholder के लिए और company के हित के बारे में सोच के रखेगा. Previous track record भी management का ऐसे ही है की हमेशा investor की friendly रही है और आशावान रही है. नयी Chair के आने से जो थोड़ी बहुत समस्या company के और सरकार के बीच में रहती थी, उसको सुलझाने में और आसानी मिलेगी. इसका लाभ हमें सब shareholder को मिलेगा और नयी Chair के लिए भी मेरी शुभकामनाएँ. MD Sir के लिए भी, अन्या management के लिए भी शुभकामनाएँ. और compliance के मामले में आप के नेत्रित्व में जो secretarial department है वो बिल्कुल हमें time to time सूचना प्रदान करता रहता है और digital माध्यम से भी देता रहता है. इस से हमें कोई ज़्यादा दिक्कत नहीं होती. बड़ी इच्छा होती है, sir, management से मिलने की, जो आप की जो मेज़बानी होती थी shareholder के प्रति as a परिवार, वो बहुत याद आ रही है, और हम चाहेंगे की कोई ऐसी परिस्थिति बने, चाहे investor call में बने या वैसे ही बने, sir आप से मिल पाएं और आप से रूबरू देख पाएं. आप के नेत्रित्व में पूरा विश्वास है company आगे बढ़ेगी. मेरी शुभकामनाएँ. Namaskar. Jai Hind.

Moderator: Thank you, Mr. Ajay Kumar Jain. With this, we have completed all the speakers and the dais is given back to the boardroom, sir. Thank you.

Shri Ganji Kamala Vardhana Rao: So ladies and gentlemen, this concludes the business part of the meeting. The instapoll facility will be activated now for the next 40 minutes for only members who have not cast their votes through remote e-voting. This facility is available on the left-hand corner of the videoconferencing screen in the form of a thumb sign. Members can click on the same to take them to the instapoll page and vote. After end of instapoll facility, the meeting will be deemed concluded. Mr. P. C. Jain, scrutinizer, will submit a report to the Corporation after consolidating the remote e-voting and voting at the AGM. I thank all the shareholders for connecting with us today. I also thank the K-FIN team for facilitating the videoconferencing which enabled connecting with our shareholders across the world and the other service providers for ensuring seamless conduct of the meeting. Thank you.

Moderator: Thank you, sir, now the instapoll will be activated, sir.