

Date: 24.05.2023

REF: SEC: COORD: 134

Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Scrip Symbol - ITDC (EQ)	Manager, Department of Corporate Services BSE Limited, Mumbai Floor 25, P.J. Towers, Dalal Street Mumbai- 400 001 Scrip code : 532189
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Sub: Submission of Statements of Impact of Auditors qualification

This is with reference to earlier announcement dtd 24th May, 2023 subjected with “Outcome of Board Meeting and Submission of Audited Standalone & Consolidated Financial Results for the quarter and Year ended March 31, 2023”.

We are enclosing herewith statements of impact of Auditors qualification for the financial year ended March 31, 2023.

Thanking you,

For **India Tourism Development Corporation Ltd.**

V.K. Jain
Company Secretary

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along with Annual Standalone Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (` in lakh)	Adjusted Figures (audited figures after adjusting for qualifications) (` in lakh)
	1.	Turnover / Total income	47,612.95	48,905.54
	2.	Total Expenditure	39,000.86	39,000.86
	3.	Net Profit/(Loss)	6,033.09	6,995.68
	4.	Earnings Per Share	7.03	8.16
	5.	Total Assets	95,515.51	96,808.10
	6.	Total Liabilities	57,856.89	58,186.89
	7.	Net Worth	37,658.62	38,621.21
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: As per Annexure-A		
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified		
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: Annexure – A		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Annexure – A		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of audit qualification: Annexure-A		
	(ii)	If management is unable to estimate the impact, reasons for the same: Annexure –A		
	(iii)	Auditors' Comments on (i) or (ii) above: Not applicable		
III.	Signatories:			
		• CEO/Managing Director		
		• CFO		
		• Audit Committee Chairman		
		• Statutory Auditor		
		Place: New Delhi		
		Date: 24.05.2023		



Annexure - A (Standalone)

Sr. No.	Audit Qualification	Type of Audit Qualification	Frequency of Audit Qualification	Management's view where impact of Audit Qualification is quantified by the Auditors	Impact not quantified by Auditor, Management's estimation on the impact of audit qualification (I)	If Management is unable to estimate the impact, reasons for the same (II)	Auditor's Comment on (I) and (II)
1	<p>MSMED Act Compliances: As per the information provided to us, the Company has identified suppliers registered under the MSMED Act, 2006, by obtaining confirmation from suppliers and information has been collated to the extent of information received.</p> <p>In the absence of the requisite audit evidence, we are unable to determine the delay in making payment to MSME entities, liability of interest and compliance on such delayed payments in terms of provisions of MSMED Act.</p>	Qualified Opinion	Second Time	Not quantified by Auditor	Not quantified by Management	Analysis of payment terms contained in the agreement with MSME Vendors are being examined to work out the financial impact, if any.	N.A
2	<p>Revenue from License fee The Company has not generated invoices for license fees on licensees of units, viz. Ashok Hotel, Samrat Hotel & Taj Restaurant (units of ITDC) to the tune of Rs. 1292.59 lakhs during the year 2020-21 on account of Covid-19 pandemic, and hence not considered in Books of Accounts. The matter is still under consideration before the board of Directors of ITDC. Thus, the sale of services from license fees and trade receivables of the Company continued to be understated to this extent.</p>	Qualified Opinion	Second Time	Amount of 1,292.59 lakhs not booked as Revenue from Operations	N.A.	N.A.	N.A
3	<p>Ashok Tours and Travels (ATT) Delhi</p> <p>1. ATT has entered into arrangements for marketing of travel related business with M/S Shree Plan Your Journey Pvt. Ltd (SPYJ), the GSA. ATT instead of</p>	Qualified Opinion	Second Time	Not quantified by Auditor	Not quantified by Management	A Reconciliation of transactions carried out with the GSA is under process. The	N.A.



<p>making recovery from SPYJ, Rs.300 lakhs were paid by the Company on 27.08.2020 for which neither any justification was given nor was the authority of the same disclosed.</p> <p>We continue to observe that various conditions of the agreement with SPYJ were not complied &/or not enforced like credit limit, monthly evaluation, additional Bank Guarantee (BG) etc. Despite raising the issues in the previous years and also in the current year. As informed to us Board constituted a committee in their meeting held on 14.07.2022 to look into various issues relating to SPYJ. Prima facie there is no periodical reconciliation of PLB from Airlines, identification of unlinked receipts, credit note delays, settlement of commission bills after receiving full payment from SPYJ clients, compliance of SoP etc. However, as informed to us, there is significant progress in reconciliation of account with SPYJ which still has a gap of Rs 34.95 lakhs (PY Rs 656.79 lakhs). Above mentioned deficiencies have repercussions on timely compliance of TDS and provisions under GST Act. During the year substantial business volume was carried out by SPYJ using their own Portal, resulting into the credit of commission, PLB etc. by Airlines to SPYJ account directly, virtually leaving little or no control of ATT on such incomes and as informed to us that the PLB/commissions received/receivable by SPYJ to ATT till FY 2022-23 have been partially accounted for and the rest are under reconciliation. ATT has kept on "HOLD" a sum of Rs. 500 lakhs towards the pending additional BG to cover increased</p>					<p>impact, if any, would be known on completion of the reconciliation exercise.</p>	
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	business volume, which is not exactly in consonance with terms of extension letter and directives of Board.						
	<p>2. ATT (ITDC) has entered into Memorandum of understanding (MOU)/ Travel Services Agreement (TSA) with its various customers comprising of mainly Ministries/Govt. Departments/ Government organisations for rendering travel related services of Domestic and International Air Ticketing at "00"/ Nil charge. Further an OM was issued by MoF on 16th June, 2022 for non-levy of any agency charges/ convenience fee. In few cases/services the company is yet to implement such clauses of TSA and aforementioned OM.</p> <p>In view of circumstances stated in para 1 and 2 above, we are unable to comment on the final outcome of non-compliance of terms of Agreement, confirmations, reconciliations and/or assessment of recoverability of outstanding in the accounts pertaining to SPYJ and ATT customers and it's consequential impact on the Standalone Financial Statements.</p>	Qualified Opinion	First Time	Not quantified by Auditor	Not quantified by Management	The impact, if any of OM issued by MoF is being examined with reference to the terms of the billing in few cases as referred to.	N.A.



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**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along with Annual Consolidated Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023				
<i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (` in lakh)	Adjusted Figures (audited figures after adjusting for qualifications) (` in lakh)
	1.	Turnover / Total income	48,054.38	49,346.97
	2.	Total Expenditure	39,601.59	39,601.59
	3.	Net Profit/(Loss)	5,916.39	6,878.98
	4.	Earnings Per Share	6.90	8.02
	5.	Total Assets	93,374.69	94,667.28
	6.	Total Liabilities	60,210.69	60,540.69
	7.	Net Worth	33,164.00	34,126.59
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a.	Details of Audit Qualification: As per Annexure-A		
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	(iii)	Auditors' Comments on (i) or (ii) above: Not applicable		
III.	<u>Signatories:</u>			
		<ul style="list-style-type: none"> • CEO/Managing Director • CFO • Audit Committee Chairman • Statutory Auditor 		
		Place: New Delhi Date: 24.05.2023		



Annexure - A (Consolidated)

Sr. No.	Audit Qualification	Type of Audit Qualification	Frequency of Audit Qualification	Management's view where impact of Audit Qualification is quantified by the Auditors	Impact not quantified by Auditor, Management's estimation on the impact of audit qualification (I)	If Management is unable to estimate the impact, reasons for the same (II)	Auditor's Comment on (I) and (II)
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3	<p>Ashok Tours and Travels (ATT) Delhi</p> <p>1. ATT has entered into arrangements for marketing of travel related business with M/S Shree Plan Your Journey Pvt. Ltd (SPYJ), the GSA. ATT instead of</p>	Qualified Opinion	Second Time	Not quantified by Auditor	Not quantified by Management	A Reconciliation of transactions carried out with the GSA is under process. The	N.A.



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