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Board of Directors

(as on 31st August, 2012)

Part time Chairman cum Non-official (Independent) Director

Shri Shankersinh Vaghela

Vice Chairman & Managing Director

Dr. Lalit K. Panwar

Functional Directors

Shri Pradeep Kumar Agarwal, Director (Finance)
Cmde. (Retd.) Ratan Kumar Okhandiar,
Director (C&M)

Government Nominee Directors

Shri Chirravuri Viswanath
Shri Anand Kumar

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 Ashok Singhal & Co.
M/s Jain & Jain
M/s J.P. Goyal & Co.
M/s K. Ramanan & Co.
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 Vinod Kumar & Associates

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 47th Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Wednesday, the 26th September, 2012 at 1400 hours in Ashok Hotel, New Delhi 110021 to transact the following business:-

Ordinary Business

- (1) To receive, consider, and adopt the audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended on that date together with the Report of the Auditors, Comptroller and Auditor General and the Directors' Report thereon.
- (2) To declare dividend
- (3) To appoint a Director in place of Shri Anand Kumar, Director who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers himself for re-appointment.

Special Business

- (4) To pass with or without modification the following resolutions as Special Resolution :
 - a) Clause 71(21) of Articles of Association be modified and replaced by the following Clause as Clause 71(21) :

“To appoint and at their discretion remove or suspend such secretaries, officers, clerks, agents and servant as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit.”
 - b) A new Clause 29A be added after Clause 29 in the Articles of Association :

“Subject to Section 77A of the Companies Act, 1956 amended from time to time and rules made thereunder, the Company may purchase its own shares at any time on the terms and conditions as specified in the Act.”

By Order of the Board of Directors

Place: New Delhi
Dated: 31.08.2012

(V.K. Jain)
Company Secretary

Notes

1. 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.
2. The Members/Proxies should bring the Attendance Slip, duly filled in and signed, for attending the Meeting.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from the 24th day of September, 2012 to 26th day of September, 2012 (both days inclusive).
4. 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.

To

- (i) All Members of India Tourism Development Corporation Ltd.
- (ii) M/s V. K. Verma & Company, C-37, Connaught Place, New Delhi - 110 001
- (iii) All Stock Exchanges

Copy to

1. The President of India through Shri B. B. Roy, Under Secretary (Ministry of Tourism)
2. All Members of the ITDC Board.

Explanatory Statement Pursuance to Section 173(2) of the Companies Act, 1956

Item No. 4 (a)

1. Clause 71 of the Articles of Association states the powers of the Board of Directors. Sub-clause 21 of Clause 71 states that approval of the President is required to appoint the person in the higher category of posts of person who have already attained the age of 58 years where the pay (including pension and pensionary equivalent of retirement benefits) proposed to be fixed for such persons exceeds ₹ 5700 per mensem or where the minimum of pay scale proposed to be given to such person is ₹ 5700/- or more. The above provision in the Articles of Association was incorporated based on Department of Public Enterprises (DPE) O.M. No. 18(9)/87-GM/DPE dated 22nd March, 1993. DPE has clarified that the O.M. No. 18(9)/87-GM/DPE dated 22nd March, 1993 has been cancelled by DPE vide O.M. No. 20(10)/99-GM-G2-42 dated 27th September, 2002 and hence the relevant provision of Articles of Association of ITDC also require modifications to be brought in line with the present position as the O.M. dated 22.3.1993 stands cancelled.
2. In view of the clarifications received from DPE, Clause 71(21) requires to be modified and be substituted as under :

“To appoint and at their discretion remove or suspend such secretaries, officers, clerks, agents and servant as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and

require security in such instances and to such amounts as they may think fit.”

3. In this connection, it is submitted that Section 31 of the Companies Act, 1956 states that subject to the provisions of the Companies Act, 1956 and the conditions contained in its memorandum, a company may by special resolution alter its articles.
4. It is submitted that the proposed alteration in the Articles of Association is not inconsistent with the conditions contained in the memorandum of ITDC nor it is inconsistent with the provisions of the Companies Act, 1956 or any other law.
5. Board of Directors of ITDC in their meeting held on 14th February, 2012 have recommended the proposed alteration in the Articles of Association. The Members of ITDC are requested to approve the proposed alteration of Clause 71(21) of the Articles of Association of ITDC by passing the proposed resolution as a special resolution.
6. None of the Directors of the Company is interested in the resolution.

Item No. 4 (b)

1. ITDC has received a Department of Public Enterprises (DPE) O.M. No. DPE/14(24)/2011-Fin. dated 26th March, 2012 Subject 'Issue of Guidelines regarding buy back of shares' from the Ministry of Tourism for compliance.
2. In the said O.M., DPE has pointed out that the CPSEs are not exercising the option to buyback their shares like private companies. DPE has therefore issued the following guidelines :

- i) If a CPSE decides to buy back its own shares from the shareholders using surplus cash, Department of Disinvestment (DoD) on behalf of major shareholders may tender/ offer equity on behalf of the Government of India;
 - ii) CPSE will amend their Articles of Association to provide for buy back of shares if such provision does not exist in their Articles.
3. In this connection, it may be submitted that the Articles of Association of ITDC do not provide for buy back of shares.
 4. In compliance of the DPE Guidelines, ITDC requires to alter its Articles of Association by incorporating the provisions of the buy back.
 5. In this connection, it is submitted that Section 31 of the Companies Act, 1956 states that subject to the provisions of the Companies Act, 1956 and the conditions contained in its memorandum, a Company may by special resolution alter its articles.
 6. It is submitted that the proposed alteration in the Articles of Association is not inconsistent with the conditions contained in the memorandum of ITDC nor it is inconsistent with the provisions of the Companies Act, 1956 or any other law.
 7. Board of Directors of ITDC in their meeting held on 20th June, 2012 have recommended the proposed alteration in the Articles of Association. The Members of ITDC are requested to approve the proposed alteration by addition of new Clause 29A after Clause 29 of the Articles of Association of ITDC by passing the proposed resolution as a special resolution.
 8. None of the Directors of the Company is interested in the resolution.

By Order of the Board of Directors

Place: New Delhi V. K. Jain
Dated: 31st August, 2012 Company Secretary



Chairman's Speech

Ladies and Gentlemen,

I extend to you all a very hearty welcome to our company's forty seventh Annual General Meeting and thank you for sparing your valuable time and making it convenient to attend. After having taken over charge of Part Time Chairman of ITDC in June 2012, this is my first opportunity to interact with you on this occasion.

Global Economy

Indian Economy is a growing economy with very positive trends in the longer run. However, currently due to slowdown in the global economy, Indian economy is undergoing a difficult phase. GDP Growth is expected at 6.9% after having grown at 8.4% in preceding two years.

Tourism Sector

Indian culture and heritage has its own charm that attracts the travelers from all

around the globe. India is blessed with rich culture and heritage. Besides the rich culture and religious phenomenon, there are a number of worth seeing heritage monuments visited by the foreign nationals from all over the world.

During CWG 2010, ITDC was assigned and successfully accomplished the project of illuminating 11 Heritage (ASI) Monuments with state of the art technology to highlight the cultural heritage of the city Delhi and to provide a visual treat to the tourists.

Tourism plays an important role in economic development and creation of jobs in India. The Planning Commission has identified tourism as the second largest sector in the country in providing employment opportunities for low-skilled/semi-skilled workers.

Despite worldwide economic slowdown, Tourism in India has delivered better performance. The growth rate of 8.9% in foreign

tourist arrivals in India was almost double the growth of 4.4% in tourist arrivals worldwide.

ITDC

ITDC is the only Public Sector Undertaking of the Ministry of Tourism mandated to promote tourism and create tourism infrastructure in India besides playing its role as a commercial organization.

ITDC as an agency of the Ministry of Tourism plays a pioneering role in the development of tourism infrastructure in the country, generates employment in the Hospitality Sector and promotes Indian cuisine in the world by participating in Food Festivals organized all over the world. ITDC is also the event manager of Ministry of Tourism to showcase Indian Tourism in global tourism and travel marts/shows.

After disinvestment of 18 hotels in 2001-02, ITDC consolidated its remaining activities and re-structured itself to take up diversified service oriented business activities like Consultancy and execution of tourism and engineering projects, Training, Consultancy in the Hospitality Sector, Event Management, mounting of Son-et-lumiere (SEL) Shows etc.

ITDC Hotel Properties

It is indeed good to say that all the properties of ITDC are located in prime places. With the renovation of Delhi based Hotels viz. The Ashok, Samrat and Janpath, we have made an endeavour to meet the aspirations of our guests.

Five Hotel properties located outside Delhi at Mysore, Patna, Jammu, Bhubaneswar and Jaipur have also been renovated to meet the standards of Hotels in the relevant category.

ITDC also has five running Joint Venture Properties. One of our joint venture properties i.e. Hotel Pondicherry Ashok Beach Resort, Puducherry has a land bank of about 50 acres. Your Company has initiated the process of setting up a complete tourist destination comprising of Family Entertainment Zone (FEZ), Convention and related facilities (MICE), Infrastructure & Shopping Mall with Multiplex, Club House with 10 keys and other value added facilities including 9 hole Golf Course, Water Sports Activities on the Beach Front and Hotel Expansion with 40 Keys in a new business model based on Public Private Partnership (PPP).

ITDC properties continue to earn prestigious awards during the year in various areas. Prominent among them are the award won by The Ashok as the “Best Hotel for Cuisine and Services” by Pacific Asia Travel Writers Association (PATWA) at ITB Berlin in March 2012; “Oudh Restaurant” in The Ashok which was awarded the Finest Regional Indian Cuisine Restaurant’ by HT City Crystals People’s Choice Award (HT City Top Table) as well as by Safari India for “Best Restaurant for Indian Food” 2011; and The Ashok, New Delhi which was awarded as having the “Best Convention Facilities in Delhi NCR” at the Travel & Hospitality Awards organized by Swift Media International on 25th February, 2012. The Ashok, New Delhi was awarded the “Best Convention Centre” for the year 2009-10 by the Ministry of Tourism in National Tourism Awards 2010.

Besides, Officials of ITDC were also awarded the culinary awards such as the Indian Culinary Forum awarded “The Golden Hat Award 2011” in November 2011, to Shri Sireesh Saxena, Corporate Chef, ITDC, who also won “Best Professional in Public Sector Undertaking” by 7th Hospitality India & Explore the World Annual International Awards-2011 in October 2011. Shri Madhav Chander Pal of The Ashok

won “Best Chef for Indian Sweets” award from Indian Culinary Forum.

Business Divisions of ITDC

ITDC has the expertise in mounting **Sound & Light Shows**. ITDC is working on many SEL projects awarded by the Ministry of Tourism/ State Governments. SEL Show projects are gradually becoming one of the core areas of ITDC. ITDC is also operating SEL Shows at Red Fort and Purana Qila, New Delhi.

Ashok Events Division has established itself as a leading professional conference organizer and a leading Event Manager. It is the official designated agency to manage events on behalf of the Ministry of Tourism and has successfully held prestigious events in India and abroad. Some of the major events handled by the Division during 2011-12 include : Fetes de Geneve, Road Shows in Russia, Ukraine and Kazakhstan, 150th Birth Anniversary Celebrations of Nobel Laureate Kavi Guru Rabindranath Tagore, Indo-US Bilateral dialogue on Climate Change, India Pavilion for PATA 2011 and India Evening at WTM 2011.

Ashok Institute of Hospitality & Tourism Management (AIH&TM) is a pioneering institute in imparting training and education in the Hospitality sector :

- It is an ISO 9001-2008 certified Institute run by ITDC. AIH&TM has the distinction of being the first ISO certified Hospitality Institute in the Asia Pacific Region. It has the affiliation with Kurukshetra University and I. P. University.
- It has also signed an MoU with the National Institute of Open Schooling under the Ministry of Human Resource Development, Govt. of India for jointly conducting various Certificate/Diploma

courses relating to Hospitality and Tourism Management.

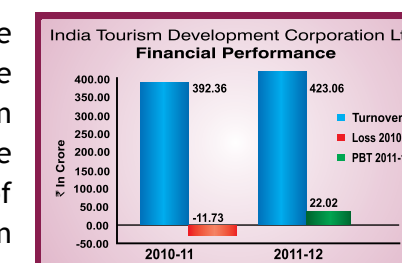
- ITDC is working on a plan to broad base the activity of the Institute with the ultimate vision of establishing a Tourism University which would be the first of its kind. C&MD of ITDC was conferred the National Award for Excellence in Hospitality Education 2010-11 in recognition of outstanding contribution towards skill development initiatives.

With the privatization of major international Airports, ITDC through its **Ashok International Trade** Division has shifted its focus to the seaports for merchandising the products in duty free shops. During the year, three shops at Haldia, Kolkata and Chennai were commissioned and started operations. One shop was commissioned in Goa in April this year. Three more shops are expected in the coming year at Vishakhapatnam, Kakinada and Mangalore.

Performance during the Financial Year

I have immense pleasure in informing the shareholders of the Corporation that during Financial Year 2011-12, your Corporation has done exceedingly well and has registered profit during the year after incurring losses during last two consecutive years. The turnover has increased from ₹ 392.36 crore to ₹ 423.06 crore and the profit before tax has been ₹ 22.02 crore against the loss of ₹ 11.73 crore during the previous year.

Ashok Travels & Tours has achieved an all time high turnover of ₹ 92 crore inspite of



worldwide recession and austerity measures introduced by the Government on foreign travel. The turnover has increased by 36% over the previous year. During 2012-13, ATT is poised to achieve the turnover of ₹ 120 crore.

This turnaround in the performance of the Corporation has been made possible due to concerted efforts of the staff, the officers and the management of the Corporation with continuous guidance and patronage from the Ministry of Tourism.

The Operating ratio has improved by 8.19% in the current year with the overall operating ratio of 93.33% as against 101.52% in the previous year.

We are committed to augment these efforts in the coming years as well and hope to achieve higher targets in all spheres viz. turnover, profitability and operational efficiency.

Dividend

Encouraged by better financial results, your Corporation has proposed to distribute a dividend of 5% to its shareholders which it could not declare during last two financial years because of losses.

Hunar Se Rozgar

ITDC through its Training Institute 'Ashok Institute of Hospitality & Tourism Management' was assigned the task to act as the implementing agency for "Hunar Se Rozgar" Scheme of the Ministry of Tourism. The mandate of the Scheme is to provide short term skill development training to youth in the age group of 18 to 28 years who are minimum VIII Class pass, in trades related to Hospitality & Tourism. ITDC Hotels are acting as Training and Test Laboratories for the "Hunar Se Rozgar" Scheme.

At the start of the Scheme, ITDC was given the target for training 500 youth which was revised to 1500. It is indeed a matter of pride to inform you that at the end of the financial year 2011-12, ITDC has trained 1589 youth under the scheme and majority of such trained youth have been given employment in various big brand hotels including Hotel Radisson Blue in Ranchi.

The scheme has assumed importance of national level due to the scope of employability in the area of tourism and hospitality and non availability of trained staff in the same.

Looking at the performance in the last financial year, in the current financial year 2012-13 :

- The Ministry of Tourism, Government of India has bestowed to ITDC an ambitious target to train 5000 students under the Scheme.
- By the end of August 2012, ITDC along with its associates has already trained more than 3000 students and about 35% of them have been gainfully employed.
- ITDC on its own has requested the Ministry of Tourism, Government of India to revise the target to train 10000 students in place of original target of 5000 in this financial year. Efforts have been made to get the State Tourism Corporations also on board for carrying out the training by providing the infrastructure available with them.
- ITDC has already made arrangements with Haryana Tourism Development Corporation and Rajasthan Tourism Development Corporation and the two State Tourism Development Corporations have already signed MoUs with ITDC for imparting training.

Efforts have been made to make this training reach to the minority community also. ITDC has also signed an MoU with National Scheduled Caste Finance Development Corporation to train 1000 scheduled caste youth under this scheme and ITDC is also under active discussions with National Handicapped Corporation for imparting training for differently abled youth.

Corporate Social Responsibility

ITDC has introduced Ashok Fellowship Scheme for the students of "Hunar Se Rozgar" under which a student having 90% attendance is given a scholarship of ₹ 1400/-. A total of 734 students have been given the Ashok Fellowship, total expenditure ₹ 10,27,600/-.

Campaign 'Clean India'

- In the 12th Five Year Plan, the Ministry of Tourism has given high importance to the Hygiene and Sanitation in and around monuments. The national movement on Campaign 'Clean India' was launched by the Hon'ble Minister of Tourism.
- ITDC has been entrusted with task to implement the campaign. A pilot project was launched by ITDC under the Ministry of Tourism at Qutab Minar.
- ITDC has been networking with various stakeholders including Municipal Corporation of Delhi (MCD), Archaeological Survey of India (ASI), Delhi Jal Board (DJB), Delhi Development Authority (DDA), Traffic Development and the Shop Owners and Traders Association around the Qutab Complex to make the project a success. The NGO Prayas, was also roped in as a partner in this project and the initiative has been taken up with full zeal and enthusiasm.

Corporate Governance

Your company follows the sound corporate governance practices with the objective of protecting the rights of the shareholders, enhancing transparency and disclosures, facilitating effective functioning of the Board and providing an effective framework of checks (both internal and external) to ensure compliance of provisions contained in the Listing Agreement and guidelines as laid down by the Department of Public Enterprises. Your company has largely complied with the provisions of the Listing Agreement.

Green Initiatives

As a part of Green initiatives, all Delhi based Hotels have E.T.P. plants and Rain Water Harvesting Plant. Hotel Janpath has Solar Heating Plants. As regards outside Delhi Hotels, Hotel Jammu Ashok and Hotel Jaipur Ashok have E.T.P. Plants. We are committed to install energy saving plants in other units to ensure optimum use of energy and natural resources.

The kitchen of all Delhi Based Hotels and Hotel Jaipur Ashok are ISO certified. ITDC is also taking steps to make its properties user friendly for differently abled persons by entering into an MoU with Swayam, a Delhi based NGO.

Rise with Technology

In order to cope with latest marketing technology, ITDC has today launched its website in a new avatar together with the portal facilitating bookings of hotels, tickets, tours etc. through online payment gateway system. This will facilitate ITDC to serve its esteemed guests to make online bookings and payments.

ITDC has also upgraded its Hotel Management Systems to take full advantage of advances in Information Technology. The new

system provides improved control mechanism and better analytical technologies to manage the profiling data of esteemed guests. For managing the data created by The Ashok, Samrat and Janpath, a Data Centre has been created at The Ashok with Disaster Recovery site at Janpath Hotel. This would provide information of Guests to Delhi based hotels and will help in better control on room inventory of these hotels.

Sharing Information

'Ashoknaama', the in-house quarterly bilingual publication of ITDC shares information with various stakeholders on the significant development of the activities of the Corporation. Soft copy of the house journal is also available on the company's website.

Future Strategy

Planned initiatives are :

- Revenue maximization of each property through well developed plans.
- Joining hands with State Tourism Departments/Corporations for developing budget class tourist accommodation as PPP projects.
- Value for money based customer-focused services.
- Expanding the area of operation by entering into new business avenues especially through Public Private Partnership route.
- Forging Joint Venture Alliance with various State Governments particularly North Eastern States to set up new hotels. ITDC has gone ahead for forming a Joint Venture Company for opening a hotel in Agartala with Tripura Government under PPP mode.

- Improving brand image through product upgradation, better services and enhanced public relations.

Outlook

Tourism has been a major socio-economic phenomenon of all growing economies all over the world. It is a large service industry globally in terms of gross revenue as well as foreign exchange earnings. Tourism has the potential to grow at a high rate and ensure consequential development of the infrastructure of the destinations. It has the capacity to capitalize on the country's success in the services sector and provide sustainable models of growth.

Acknowledgement

On behalf of ITDC Board, I would like to thank you all for your support and reposing confidence in us. I wish to convey my sincere gratitude to all our valued shareholders, guests, and Government of India through the Ministry of Tourism for their guidance and invaluable support and co-operation extended to us.

Lastly, on behalf of ITDC Board, I extend my heartfelt compliments to all the employees whose dedicated efforts and commitment have earned us all the success.

Thank You, Jai Hind.

New Delhi
26th September, 2012

Sd/-
(Shankersinh Vaghela)
Chairman

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 47th Annual Report together with the audited accounts of the Corporation for the year ended 31st March, 2012.

Your Corporation has achieved a total turnover of ₹ 423.06 crore during the financial year 2011-12 as against ₹ 392.36 crore in the previous year 2010-11 indicating an overall increase by 7.82%. The increase in overall turnover has been achieved in all the commercial divisions except Ashok Creatives and Engineering Divisions and Hotel 'The Ashok'. During the financial year 2011-12, the Corporation has recorded a Net Profit (before tax) of ₹ 22.02 crore as against Net Loss (before Tax) of ₹ 11.73 crore in previous year.

Performance Highlights

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

	(₹ in crore)	
Particulars	2011-12	2010-11
Turnover	423.06	392.36
Operating Profit/(Loss)	28.20	(5.96)
Less: Depreciation	5.53	5.60
Add/(Less) Prior period adjustments & extra-ordinary items	(-)0.65	(-)0.17

(Loss)/Profit before Tax	22.02	(11.73)
Add/(less): Deferred Tax	(-)7.47	3.12
Less: Provision for Income Tax	6.00	0.00
Less:- Provision for Wealth Tax	0.01	0.01
Less:- Provision for Fringe Benefit Tax	0.00	0.00
Add/(Less): Provision for Income Tax for earlier years written back	0.00	0.03
(Loss)/Profit after Tax	8.54	(8.59)
Add Currency Translation Reserve written back	0.00	0.00
Amount available for appropriation	8.54	(8.59)
Proposed Dividend	4.29	0.00
Dividend Tax	0.70	0.00
Equity Capital	85.77	85.77
Capital Employed	308.86	242.09
Rate of Return on Capital:		
Before Tax	25.67%	(-) 13.68%
After Tax	9.96%	(-) 10.01%
Rate of Return on Capital Employed:		
Before Tax	7.13%	(-) 4.85%
After Tax	2.77%	(-) 3.55%

Operating Ratio

The Operating Ratio has improved by 8.19% in the current year with the overall operating ratio of 93.33% as against 101.52% in the previous year.

Division wise Financial Performance

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

Hotel Division has achieved turnover of ₹ 257.70 crore as against ₹ 254.41 crore in the previous year indicating growth by 1.29% and earned the net profit of ₹ 10.61 crore as against the net loss of ₹ 22.92 crore in the previous year.

The turnover of Ashok International Trade Division (AITD) has increased to ₹ 9.18 crore from ₹ 8.37 crore in the previous year. During the year 2011-12, there are 6 duty free shops in operation i.e. three at Airports viz. Goa Airport (Arrival & Departure), Coimbatore Airport and three shops at Seaports viz. Haldia Port, Kolkata Port and Chennai Port.

The AIT Division has incurred a net loss of ₹ 2.49 crore as compared to net loss of ₹ 2.49 crore in the previous year.

The turnover of Ashok Travels & Tours (ATT) has increased to ₹ 92.04 crore from ₹ 67.78 crore in the previous year registering an increase by 35.79%. The ATT Division has achieved a net profit of ₹ 0.07 crore as against the net loss of ₹ 1.07 crore in the previous year.

The turnover of Ashok Tourist Service Station (ATSS) has increased to ₹ 10.37 crore from ₹ 9.36 crore in the previous year registering an increase by 10.79%. The ATSS has incurred

a net loss of ₹ 0.20 crore as against the net loss of ₹ 0.31 crore in the previous year.

The turnover of the Ashok Creatives Division (including SEL Red Fort) has been recorded at ₹ 5.05 crore (previous year ₹ 11.23 crore). The Division has incurred a net loss of ₹ 1.03 crore as against net loss of ₹ 2.35 crore.

The Engineering Division has achieved a turnover of ₹ 5.73 crore during the year 2011-12 as against turnover of ₹ 11.09 crore in the previous year. Engineering Division has incurred net loss of ₹ 8.11 crore as against net loss of ₹ 1.52 crore in the previous year.

The turnover of ARMS (Ashok Events) Division has increased to ₹ 13.98 crore as against turnover of ₹ 7.22 crore in the previous year. The Division has incurred a net loss of ₹ 1.57 crore as against a net profit of ₹ 0.72 crore in the previous year.

The Ashok Institute of Hospitality and Tourism Management (AIH&TM) has achieved a turnover of ₹ 4.80 crore as against ₹ 2.62 crore in the previous year. The Division has earned a net profit of ₹ 0.53 crore as against net loss of ₹ 0.64 crore in the previous year.

The Corporate Headquarters, being the administrative office has earned an income of ₹ 24.22 crore (previous year ₹ 20.29 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, 2012.

Dividend

The Board of Directors recommends a dividend of 5% for the financial year 2011-12 on the paid-up capital of the Company.

Rating of ITDC vis-à-vis MoU Targets

Performance of the Company for the year 2010-11 has been notified as 'Fair' with Composite Score 4.054 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 2011-12 were ₹ 41.58 crore which included ₹ 37.92 crore for renovation/improvement on existing Hotels, catering units and other divisions. The capital budget for ATT was ₹ 1.00 crore and ₹ 2.66 crore for other activities of the Corporation. The capital expenditure during 2011-12 was ₹ 18.47 crore out of which ₹ 0.83 crore was capitalized and ₹ 17.64 crore was charged to revenue.

The Plan outlay for the year 2012-13 is ₹ 48.62 crore out of which ₹ 46.97 crore relates to renovation/improvement in existing Hotels, catering units, other divisions and ₹ 1.65 crore relates to other activities of the Corporation.

Implementation of Official Language Policy

During the year 2011-12, the Company continued its efforts to promote the use of Hindi in official work through motivation and training. Cash incentives were granted to the employees 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. On this occasion Hindi Kavigoshti and Rajbhasha Puraskar Vitran Samaroh were also organized to motivate officers and employees.

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 2011-12 has increased to ₹ 20.38 crore as against ₹ 14.12 crore in the previous year. The outgo of foreign exchange during the year was ₹ 2.58 crore as against ₹ 6.58 crore in 2010-11.

During the year, 8 officials were sent on foreign tours at the cost of ₹ 12.05 lakh approximately in connection with promotion of the Company's business.

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. and (vii) Punjab Ashok Hotel Company Ltd. The Hotel Units 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 under Section 212(8) of the Companies Act, 1956 provided certain conditions are fulfilled. Accordingly, the Board of Directors has consented for not attaching the Balance Sheet of the subsidiary companies with the Balance Sheet of ITDC. In terms of the said circular, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2012 is enclosed as **Annexure VI** of this report. In term 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 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 ITDC and of the subsidiary companies concerned. The shareholders, if they desire, may write to the company to obtain a copy of financial statements of the subsidiary companies.

Board of Directors

During the year, six Board meetings were held to transact the business of the Company.

During the year under review, Shri Ashish Bahuguna (w.e.f. 21.11.2011), Additional Secretary & Financial Advisor-Ministry of Tourism was appointed as Govt. Nominee Director vice Smt. Dipali Khanna and Shri Chirravuri Viswanath (w.e.f. 23.01.2012), Additional Secretary & Financial Advisor-Ministry of Tourism was appointed as Govt. Nominee Director vice Shri Ashish Bahuguna pursuant to Article 61 of the Articles of Association of the Corporation.

During the year under review, Smt. Dipali Khanna as Govt. Nominee Director (from 10.1.2011 to 21.11.2011) and Shri Ashish Bahuguna as Govt. Nominee Director (from 21.11.2011 to 23.01.2012) ceased to be on the Board of Directors. The Board appreciates the valuable services rendered by them during their tenure. The present composition of the Board is as under:

- i) Shri Shankersinh Vaghela, Part time Chairman cum Non-official (Independent) Director w.e.f. 13.06.2012
- ii) Dr. Lalit K. Panwar, originally appointed as Chairman & Managing Director w.e.f. 21.04.2010, re-designated as Vice Chairman & Managing Director w.e.f. 13.06.2012
- iii) Shri Chirravuri Viswanath, w.e.f. 23.01.2012

- iv) Shri Anand Kumar w.e.f. 7.7.2010
- v) Shri Pradeep Kumar Agarwal, Director(Finance) w.e.f. 29.7.2010
- vi) Cmde. (Retd.) Ratan Kumar Okhandiar, Director (C&M) w.e.f. 10.07.2012

Pursuant to Article 61 of the Article of Association, Shri Anand Kumar, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Shri Anand Kumar is an IAS of 1984 Batch from Kerala Cadre. He is presently holding the post of Joint Secretary (Tourism) in the Ministry of Tourism. He has also served as Resident Commissioner, Govt. of Kerala. His educational qualifications are M. Sc., M.Phil., and MBA. He does not hold directorship in other companies.

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)].

As per the Certificate of the Company's Auditors on Corporate Governance as per Clause 49 (vii) above, there is only one observation which is as under:

“As required by Para I A and II A of the Clause 49 of the Agreement, we were informed that the Corporation does not have any Independent Director after 19th July, 2010. However, the Govt. of India has appointed one independent director viz. Shri Shankersinh Vaghela on 13th June, 2012 but still Corporation needs two more independent directors to fulfill the requirements of Clause 49 of the Listing Agreement.”

In view of the above observation, it may be submitted that ITDC is a Central Public Sector Undertaking under the administrative control of the Ministry of Tourism (MoT), Govt. of India. Appointment of Directors are done by the Ministry of Tourism with the approval of Appointments Committee of the Cabinet (ACC). ITDC is pursuing with the Ministry of Tourism for the appointment of requisite number of independent directors. It may be submitted that the process of appointment of independent directors has already been commenced.

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, 2012, 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 judgements 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, 2012 on a 'going concern' basis.

Auditors and Auditors' 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 2011-12 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 2011-12 are given in **Annexures - III, IV & V.**

Comments of the Comptroller and Auditor General of India

The Comptroller and Auditor General (CAG) of India conducted a supplementary audit of the financial statements of ITDC for the year

ended 31st March, 2012 and have issued NIL comments.

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: 31.08.2012
Place: New Delhi

(Dr. Lalit K. Panwar)
Vice Chairman and
Managing Director

Annexure-I

SEGMENT WISE PERFORMANCE

Management Discussion and Analysis Report

Global and Indian Scenario

Global Economy is showing persistently downward trend due to continuing Euro zone debt crisis and the resultant austerity measures being taken by the Euro zone countries. Indian Economy is also affected by the global sentiments. Further, persistently high inflation, uncertain political environment and depreciation of Indian rupee has also affected the overall economic sentiments of the country.

Despite slowing economy, Tourism in India has delivered better performance vis-à-vis the world. Foreign Tourist Arrivals (FTAs) in India registered a growth of 8.9% during 2011 as compared to growth of 8.1% in 2010. The growth rate of 8.9% in tourist arrivals in India was almost double the growth of 4.4% in tourist arrivals worldwide.

Domestic Tourism has also registered a growth of 10.7% in the year 2010 over the year 2009.

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 & pioneering role in the development of tourism infrastructure in the country.

A. Hotel Division

Hotel Division/Segment is comprising of 14 Hotels including six Joint Venture Hotels located all over India, one Restaurant at Agra, two managed units at Kosi and Bharatpur and three Catering units in Delhi. Hotels are a part of well known established Hotel chain - 'Ashok Group of Hotels'.

In order to promote Indian cuisine abroad and to promote culinary strengths of ITDC Hotels abroad, ITDC successfully participated in over eighteen Culinary Festivals during the year under review with emphasis on Latin American Countries.

'The Ashok'- Delhi and the catering unit at Vigyan Bhawan played host to innumerable International and National Conferences of repute: notably UNAIDS, International Road Federation, International Conference on Sanskrit, Global Environment and Disaster Management, Global Buddhist Conference.

Some of the measures taken for improving the performance are :

- Renovation/Refurbishment of product and services
- Upgraded Restaurants/F&B outlets
- New Chaffing dishes (Frontier, Oudh, Coffee Shop) at 'The Ashok'
- EPNS Flatware and Holloware etc. (Oudh and Banquets)

- New dishes in Room Service, Oudh and Coffee Shop
- New F&B linen (Oudh, Coffee Shop, Banquets)
- ISO Certification of Kitchen of Delhi based units and Hotel Jaipur Ashok at Jaipur
- New Convention Centre is being added at Hotel Ranchi Ashok, Ranchi.
- Improving brand image through better services, standardization, marketing and targeting potential segments.

Lease of some of the properties are going to be expired. ITDC is pursuing with the State Governments to renew the lease.

B. Ashok Creatives Division

The Ashok Creatives, as in past, played an important role in tourism promotion & developmental projects of the Ministry of Tourism as well as other clients. However, in view of the changed scenario of outsourcing by the clients directly, the quantum of work has comparatively reduced. More emphasis has been given to the execution of work of creative nature.

Advertising assignments were taken up for various Govt. agencies. Among the new projects undertaken by ITDC, are 'Clean India Campaign', 'The Pilot Qutub Minar' etc.

Individual brochures and films were produced towards publicity/promotion of Ashok Group of Hotels in domestic and international

markets. "Roots Connect" packages brochure and a brochure to promote the Ministry of Tourism's "Hunar Se Rozgar" initiative were also produced. The quarterly bilingual house journal "Ashoknaama" is being developed and printed every quarter.

The Division designed and produced several print publicity jobs as well as designed advertisements for release in mainline dailies for various Government Departments viz. TRIFED, DMICDC, ASI, NCHMCT etc. and various conferences such as Cabinet Secretariat Workshop, Nirmal Gram Puraskar Function, NAREGA, 150th Anniversary of ASI, PATA Travel Mart, Central Water Commission, Ministry of Rural Development, International Sugar Organizations, Ministry of Culture (Maati Ke Rang), 150th Birth Anniversary of Madan Mohan Malviya, Department of Telecommunication etc. For the Ministry of Tourism, print production jobs were produced for 'National Tourism Awards', "India Evening" Events held at Moscow, Geneva, Riyadh, Berlin and more.

The main constraint is that technical manpower is considerably inadequate and not exposed 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 divided into two segments i.e. Airport Business and Seaport Business.

The Airport Business which had been the mainstay of AITD over the years has suffered. This business today is marked by heavy costs

both capital and operating, the airport rentals are very high. The high rentals at Goa and Coimbatore airports adversely affected the financials of the Division.

Unlike Airport Business, Seaport business presently is a low cost affair with minimal capital and operating costs. AITD has shown better performance through seaport shops. This has been possible due to judicious product mix and competitive pricing despite competition posed by rival private operators. With more new Seaport shops being commissioned this year, the financial performance of AITD will further improve.

Due to reduced scale of operations, AITD may not be able to command favourable commercial and business terms enjoyed by it earlier. The limited scale of operations, limited space and resulting financial constraints will hamper upgradation of its operations to next level. As a minor player it may lose its viability as a J.V. partner for a possible venture in future.

D. Ashok Travels and Tours Division

Ashok Travels & Tours (ATT) - a Travel Division of ITDC provides all travel related services like Air Ticketing / Car Rentals/ Hotel Bookings/Package Tours/ LTC packages to various Ministries, Govt. Departments, Corporate and also to general public.

During the year 2011-12, ATT has achieved an all time high turnover of ₹ 92 crore in spite of worldwide recession and austerity measures introduced by Government on the foreign

travel. The turnover is increased by 36% over the previous year.

During 2012-13, ATT has poised to achieve the turnover of ₹ 120 crore and in order to achieve this, following initiatives has been taken :

1. Increasing the volume both in Air ticketing and Package tours by appointing GSAs across the country;
2. Launching the online Travel Portal;
3. Purchasing the new fleet of 10 new tourist vehicles;
4. Developing student package for Govt./Private Schools;
5. ATT is also starting a new Travel Counter at Scope Complex, New Delhi.
6. Inducting fresh & young professional manpower on contractual basis for large scale expansion & customer's satisfaction.

Overall ATT is exploring new avenues for the growth and consolidation of Travels & Tours Division.

E. Ashok Institute of Hospitality & Tourism Management

Ashok Institute of Hospitality & Tourism Management (AIH&TM), an ISO 9001-2008

certified Institute run by ITDC, New Delhi came into existence in 1971 for an in-house training of staff and executives of ITDC. AIH&TM has the distinction of being the first ISO certified Hospitality Institute in the Asia Pacific Region. Post disinvestment of some of ITDC Hotels, the institute became a strategic business in the year 2002 and started taking up training assignments for outside agencies in the hospitality sector and also started running long term and short term courses related to the hospitality industry.

The current activities of AIH&TM are:

- 4-year Bachelor's Degree course in International Hospitality Business Management (BIHBM) in association with Kurukshetra University since 2004. The course is conducted at AIH&TM campus Delhi with an intake of 60 students every year. Regular degree is awarded by Kurukshetra University and certificates of training by ITDC.
- The Ministry of Tourism, Govt. of India launched an innovative scheme in year 2009 titled 'Hunar Se Rozgar' for skill development of interested youth in hospitality sector. AIH&TM is an approved implementing agency of the Ministry of Tourism for this programme. The scheme provides free of cost training to youth who are minimum 8th class pass and are in the age group of 18 to 28 years. The scheme is totally sponsored by the Ministry of Tourism. The incentives to the enrolled candidate include free uniform, tool kit, meal and a stipend ranging from

₹ 1500/- to ₹ 2000/- for students securing minimum 90% attendance. Successful students are awarded a certificate and also assisted in job placement. Besides offering this programme at ITDC Hotels located in Jaipur, Guwahati, Bhopal, Ranchi, Patna, Delhi, AIH&TM has also tied with partners like DLF Foundation, NIAM, Neemrana Hotels, NGO's like Prayaas, Khushii etc in order to offer this innovative programme to a large number of unemployed youth in the country.

- AIH&TM has trained 1589 youth during the year 2011-12 against the target of 1500.
- AIH&TM also imparts on the job training to Industrial/ summer trainees from various professional institutes in different departments of the Hotel.
- Designing and conducting hospitality related training programmes for State Tourism Departments, State Bhawans, Indian Air Force, IRCTC etc.
- One year Diploma courses in Hotel Operation departments like Front Office, F&B Service, Food Production etc. have been launched in association with National Institute of Open Schooling, Ministry of HRD, Govt. of India as per an MoU signed in May 2011. Currently, three batches of students i.e 175 candidates are pursuing training in Food Production, Front Office and Bakery courses.

Due to dedicated efforts of AIH&TM- ITDC towards promotion of skill development in the Hospitality sector, the Ministry of Tourism awarded the 'National Hospitality Education Award-2012' to ITDC.

The Institute has recently undergone complete refurbishing and upgradation of infrastructure.

The major constraints felt in the growth of AIH&TM are lack of adequate infrastructure as there are only four classrooms with seating capacity of 50 students each, limited availability of experienced faculty and absence of regularization of land in favour of ITDC by L&DO, Govt. of India.

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, engineering technical services, management consultancy and advisory services and consultancy for adventure tourism.

Recently, Engineering Division is taking steps to make ITDC's properties disabled friendly by entering into an MoU with Swayam, an NGO. Engineering Division is also working on green projects i.e. projects relating to sustainable development like energy saving projects, Solar Water Heating System, Effluent Treatment Plant, Rain Water Harvesting etc.

Future Plan is to get more deposit works from Government and other Departments and to take up the renovation/upgradation work of ITDC's properties and its Joint Venture Properties.

Major constraints are strict and lengthy procedure for awarding and execution of projects and the shrinking manpower due to more retirements with no fresh recruitments.

G. Sound & Light Show Division

ITDC is pioneer in mounting of Sound & Light(SEL) Shows. ITDC is presently working on many SEL projects sanctioned by the Ministry of Tourism/State Tourism like SEL Show at Ross Island, Andaman & Nicobar Islands, Shalimar Bagh- Srinagar, Dal Lake- Srinagar, Cellular Jail- Andaman & Nicobar, Kanke Dam - Jharkhand, Shilpgram-Deoghar- Jharkhand, Talatal Ghar- Assam and Shri Bhaini Sahib- Ludhiana.

Detailed Project Report for SEL Show projects at Moosi Maharani Ki Chattri - Sagar-Alwar, Konark Temple-Puri, Udaigiri, Bhubaneswar, Diu Fort - Diu submitted to the Ministry of Tourism/ State Tourism for sanction. Sanction is awaited.

ITDC is also operating SEL Shows at Red Fort and Purana Qila, New Delhi.

H. 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 has handled many events during the year 2011-12 including NBA Conference, Civil Service Day, UPSC Lecture Series on Governance & Public Service, IBSA International Workshop, CRF 2012 Conference, World Environment Day, NREGA Sammelan-2012, 34th ISO General Assembly-2011-Bureau of Indian Standards, 7th Regional Conference of ADB/OECD, Anti-Corruption Initiative on Asia and Pacific "Building Multidisciplinary Frameworks to combat Corruption-2011, Mahamana Madan Mohan Malvia 150th Year Celebration, Basic Ministerial Conference-2012, PATA Travel Mart - 2011, India Evening at ITB Berlin-2012, Road Shows at Moscow, Kiev, Almaty, Damman, Riyadh & Jeddah, Award Function of the Ministry of Social Justice & Empowerment, etc. The Division also designated and fabricated various exhibitions like ASI, Planning Commission etc.

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

3. ITDC - SWOT Analysis

Strengths

- Well Established Brand for 45 years
- Properties at Prime Locations
- Zero Debt Company
- Large accommodation, F&B and Convention facilities
- Official caterer to Government at

Vigyan Bhawan, Hyderabad House and Western Court

- Patronage of the Ministry of Tourism and other Govt. Agencies

Weakness

- Ageing infrastructure
- Ageing manpower
- Lack of international exposure

Opportunities

- Leveraging Hotel Properties for new product development and diversification
- Event Management
- Hospitality Education Sector

Threats

- Rising wage-bill/establishment cost
- Bureaucratic ways of functioning
- Cut throat competition
- Wage & Productivity imbalance
- Lease period of some of the properties expiring

4. Outlook

Despite the adverse economic and political scenario domestically and globally, demand for business travel, business conferences and ceremonial occasions remain robust. The Convention Hall of ITDC is highly modernised for wedding occasions.

ITDC has expertise in mounting Sound & Light Shows. ITDC is working on many SEL projects awarded by the Ministry of Tourism/ State Governments. SEL Show project has become the core area of ITDC.

ITDC requested to the Government for infusion of equity for renovation and up-gradation of its properties. If ITDC gets the funds from the Government, ITDC may be benefited with more business due to renewed properties.

5. Risk and Concerns

Tourism is a sensitive product. It is affected by general economic conditions like global recession, general inflationary conditions; Socio-political risk like socio political environment internationally and within the country, advisories from foreign countries; Competition from international Hotel chains; increased outbound travel etc.

While on one hand, slow economy worldwide is causing dent on demand, on the other hand, new branded Hotels with huge room inventories and banquet/convention venues have opened and many more are rapidly opening in NCR, which are far superior to our product in terms of quality of inventory, manpower and equipment.

The biggest risk before ITDC is its depleting experienced workforce and increasing wage bill due to wages as per Government Rules.

6. Internal Control

The Corporation has adequate internal 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 the Internal Audit Manual prepared by the Institute of Public Auditors of India. The Internal Auditors have been advised to follow the Internal Audit Manual.

7. Human Resource Management and Industrial Relations

The total number of employees in the Corporation as on 31.3.2011, were 2178 (excluding 72 employees engaged on Direct contract basis) and 2032 as on 31.03.2012. Out of 2032 employees, 604 employees belong to Scheduled Caste (SCs), 50 belong to Scheduled Tribes (STs) and 98 to Other Backward Classes (OBCs). 03 employees recruited as Management Trainees were regularized during the financial year 2011-12. Moreover, 191 employees were promoted to the next higher posts, out of which 29 employees belong to Scheduled Castes (SCs),

05 employees belong to Scheduled Tribes (STs) and 06 belong to Other Backward Classes (OBCs). There are 289 Women employees working in ITDC as on 31.03.2012 constituting 14.22% of the total workforce of the Corporation. Of these, 74 are at Executive level and 215 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 2011-12

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 2011-12, the Board had following composition :

(A) Executive Directors

*Dr Lalit K. Panwar, Chairman & Managing Director w.e.f. 21.4.2010

Shri Pradeep Kumar Agarwal, Director (Finance) w.e.f. 29.7.2010

*Re-designated as Vice Chairman & Managing Director w.e.f. 13.06.2012

(B) Non-Executive Directors

(a) Part-time Govt. Directors

Shri Anand Kumar appointed w.e.f. 7.7.2010

Smt. Dipali Khanna ceased

w.e.f. 21.11.2011

Shri Ashish Bahuguna ceased w.e.f. 23.01.2012

Shri Chirravuri Viswanath appointed w.e.f. 23.01.2012

(b) Independent Part-time Directors

No Independent Directors

The Board presently comprises of Part time Chairman cum Non-official (Independent) Director, Vice Chairman & Managing Director, Director(Finance), Director (Commercial & Marketing) and two part-time Government Nominee Directors, as under:

(A) Executive Directors

Dr. Lalit K. Panwar, originally appointed as Chairman & Managing Director w.e.f. 21.04.2010, re-designated as Vice Chairman & Managing Director w.e.f. 13.06.2012

Shri Pradeep Kumar Agarwal, Director (Finance) w.e.f. 29.7.2010

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

(B) Non-Executive Directors

(a) Part-time Govt. Directors

Shri Chirravuri Viswanath, w.e.f. 23.01.2012

Shri Anand Kumar w.e.f. 7.7.2010

(b) Shri Shankersinh Vaghela, Part time Chairman cum Non-official (Independent) Director w.e.f. 13.06.2012

The matter of appointment of requisite number of Independent Directors is under

consideration of the Administrative Ministry i.e. Ministry of Tourism.

2 (a) Board Procedure

Six meetings of the Board of Directors were held during the year 2011-12 (i.e. 13th May, 2011, 29th July, 2011, 24th August, 2011, 31st August, 2011, 15th November, 2011 and 14th February, 2012) and 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, C&MD*	06	06	Yes
Shri Pradeep Kumar Agarwal Director (Finance)	06	06	Yes
Smt. Dipali Khanna, AS&FA**	05	04	No
Shri Ashish Bahuguna, AS&FA@	00	00	N.A.
Shri Chirravuri Viswanath, AS&FA@@	01	01	N.A.
Shri Anand Kumar, JS(T)	06	05	No

* Joined as C&MD w.e.f. 21.4.2010 and re-designated as VC&MD w.e.f. 13.6.2012
 ** Ceased as Director w.e.f. 21.11.2011
 @ Appointed as Director w.e.f. 21.11.2011 and ceased w.e.f. 23.01.2012
 @@ Appointed as Director w.e.f. 23.01.2012

The maximum time gap between the two Board Meetings was less than three months.

2 (b) Other Directorships

The details of Directorships in other Companies (excluding Private Limited Companies which are not the subsidiary of a Public Ltd. Company, Foreign Companies and the Companies formed and registered under Section 25 of the Companies Act, 1956) and the

Committee Memberships held by the Directors in such companies during 2011-12 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, C&MD*	07	Nil
Shri Pradeep Kumar Agarwal, Director (Fin)	07	Nil
Smt. Dipali Khanna, AS&FA**	01	Nil
Shri Ashish Bahuguna@	Nil	Nil
Shri Chirravuri Viswanath@@	01	Nil
Shri Anand Kumar, JS (T)	Nil	Nil

* Joined as C&MD w.e.f. 21.4.2010 and re-designated as VC&MD w.e.f. 13.6.2012
 ** Ceased as Director w.e.f. 21.11.2011
 @ Appointed as Director w.e.f. 21.11.2011 and ceased w.e.f. 23.01.2012
 @@ Appointed as Director w.e.f. 23.01.2012

2 (c) Pecuniary relationship or transactions of the Directors

The Corporation did not have any pecuniary relationship or transactions with its non-executive Directors during the period under review. Directors make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are Directors. The C&MD/VC&MD 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.

The Non-official (Independent) Directors are being 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) Re-imbusement of travelling expenses incurred on attending

the meeting of the Board and the Committee thereof as per 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

After the Appointment of Shri Shankersinh Vaghela, Part time Chairman cum Non-official Director, ITDC Board has also approved the following in compliance of the Non-mandatory requirement of the Listing Agreement of the Stock Exchanges :

“A non executive Chairman (i.e. Part Time Chairman) may be entitled to maintain a Chairman’s office at the Company’s expense and also allowed reimbursement of expenses incurred in performance of his duties.”

Since Shri Shankersinh Vaghela has been appointed as Part time Chairman cum Non-official Director in the rank of Cabinet Minister. ITDC has requested the Ministry of Tourism to accord approval regarding the remuneration, perks etc. of the Chairman and also to accord approval to keep the personal staff of the Chairman on scale basis as per the DOPT Circular No. 8/3/92-CS(II) dated 14.1.1994.

2 (d) Code of Conduct

The Code of Conduct for the Board Members and the Senior Management Personnel of the Corporation, as adopted by the Company, was posted on the website 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 2011-12, the composition of Audit Committee was as under:-

Name of the Director	Status	Remarks
Smt. Dipali Khanna, Director*	Chairperson	Non-Independent & Non-Executive
Shri Chirravuri Viswanath**	Chairman	Non-Independent & Non-Executive
Shri Anand Kumar, Director	Member	Non-Independent & Non-Executive
Shri Pradeep Kumar Agarwal Director (Finance)@	Member	Non-Independent & Executive

*Ceased as Director w.e.f. 21.11.2011
 **Appointed as Director w.e.f. 23.01.2012
 @Ceased as Member w.e.f. 20.06.12

After the appointment of Shri Shankersinh Vaghela as Non-official Director, the Audit Committee is presently headed by Shri Shankersinh Vaghela, an Independent Director. The other members of the Audit Committee are Shri Anand Kumar, Govt. Nominee Director and Shri Chirravuri Viswanath, Govt. Nominee Director. As required by the Listing Agreement, the Committee does not have requisite number of independent directors. The matter of appointment of requisite number of Independent Directors is under consideration of the Ministry of Tourism.

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

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.
 - (a) Any change in accounting policies and practices.
 - (b) Major accounting entries based on exercise of judgement 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.
- (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:-
 - (9) Reviewing the Corporation’s Financial and Risk Management Policies.
 - (10) To look into the reasons for substantial defaults in the payment

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.

to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.

Meetings: During the year, five meetings of the Audit Committee were held on 13.5.2011, 29.7.2011, 31.8.2011, 15.11.2011 and 14.2.2012. 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
Smt. Dipali Khanna, Chairperson	04	03
Shri Chirravuri Viswanath	01	01
Shri Anand Kumar	05	04
Shri Pradeep Kumar Agarwal	05	05

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

(4) Remuneration Committee

The Corporation follows both the Central DA pattern of pay scales and the Industrial DA pattern of pay scales, as applicable to the employees of the PSEs of the Government of India. The same principle is applicable in case of remuneration and perquisites of whole-time Directors. The Corporation, therefore, has not constituted a Remuneration Committee to decide on the Directors' remuneration policy.

The part-time Government Directors (representing the Government of India) as well as the whole-time Functional Directors are not entitled to sitting fees. The Independent part-time Directors of the Corporation are paid sitting fee for attending meetings of the Board

of Directors and Sub-Committees of the Board at the rate of ₹ 1,000/- per meeting attended by them. Besides sitting fee, the non-official part-time Directors of the Corporation are not paid any other remuneration or commission. The details of remuneration paid to the Directors during financial year 2011-12 were as under:-

Payment made to key management personnels and their relatives:

Remuneration	: ₹ 36.60 lakh
Sitting fees	: Nil
Total	: ₹ 36.60 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 / transmission request and hence Share Transfer Committee is no longer in use. During the year 2011-12, the composition of the Committee was as under:-

- (1) Dr. Lalit K. Panwar, VC&MD - w.e.f 21/4/2010
- (2) Shri Pradeep Kumar Agarwal, Director(Finance) w.e.f 10/8/2010

During the financial year 2011-12, the Committee did not hold any meetings.

(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 year 2011-12, the composition of the Committee was as under:-

Dr. Lalit K. Panwar, VC&MD - w.e.f 21/4/2010
*Mrs. Dipali Khanna - AS&FA, Govt. Nominee Director
Shri Pradeep Kumar Agarwal, Director(Finance) w.e.f 10/8/2010
*ceased w.e.f. 21.11.2011

Presently, the Committee consists of Dr Lalit K. Panwar and Shri Pradeep Kumar Agarwal.

During the financial year 2011-12, the Committee did not hold any meetings.

(7) General Body Meetings

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

Financial Year ended	Day & Date	Time	Venue
31.3.2009	31.12.2009 (Thursday)	1600 hrs	Ashok Hotel New Delhi-110021
31.3.2010	30.12.2010 (Thursday)	1500 hrs	Ashok Hotel New Delhi-110021
31.3.2011	30.09.2011 (Friday)	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.

(8) 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.

(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 Sector 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 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 and the Functional Directors, which have been delegated from the Board, have been specified in the DOP of C&MD/VC&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.

(9) Risk Management

In compliance with Clause 49 of the 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 heads of all strategic divisions have been nominated as Risk Managers and a committee namely Risk Management Compliance Committee (RMCC) headed by Director (Finance) has been constituted to oversee and ensure compliances with the Risk Management Policy of the Corporation.

During the financial year 2011-12, four meetings of the RMCC were held on 26.4.2011, 22.7.2011, 24.10.2011 and 10.1.2012.

(10) Subsidiary Companies

The Corporation does not have any material 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 holding Company 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 29.7.2011.

(11) 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.

(12) 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 newspapers i.e. 'The Statesmen' (Engilsh Version) and 'Jansatta', (local language i.e. Hindi) 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. The Corporation's website address is www.theashokgroup.com

The Management discussion and Analysis is part of the Directors' Report.

The Corporation 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 Corporation's website.

(13) General Shareholder Information

- (i) AGM: 26th September, 2012
- (ii) Financial Year: 1st April to 31st March
- (iii) Book Closure: 24th September to 26th September, 2012 (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 2011-12 to these stock exchanges. Their addresses are as under:-

Name of Stock Exchange	Stock Code
The Stock Exchange, Mumbai (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400001	532189
The Delhi Stock Exchange Association Ltd. (DSE) DSE House, 3/1, Asaf Ali Road 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 2011-12 are summarized as under:-

Month	Rupees		Number of Shares Traded	Total Turnover (₹)
	High	Low		
No share traded in the Stock Exchange during the FY 2011-12.				

However, recently in June and July 2012, shares in very small quantity were traded. The closing price was ₹ 161.85.

(vi) Registrar & 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. Mahindra Singh
Email : einward.ris@karvy.com
Tel : 91 40 44655116
Fax : 91 40 23420814

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

(viii) Corporate Office & 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 31.3.2012, is as under:-

Category	No. of Shareholders	No. of Shares held	% of Shareholding
President of India	1	7,90,00,500	92.108
Indian Hotels Co. Ltd.	1	67,50,275	7.870
Employees and General Public	72	18,625	0.022
Total	74	8,57,69,400	100.00

The distribution of shareholding as on 31st March, 2012 is as under: -

Nominal Value	No. of Share-holders	% of Total Shareholders	No. of Shares held	% of Total Shares held
Up to 5,000	69	93.243	11025	0.013
5001 - 10,000	-	-	-	-
10,001 - 1,00,000	3	4.054	7600	0.009
1,00,001 & above	2	2.703	85750775	99.978
Total	74	100.00	85769400	100.00

During the financial year 2009-10, the Corporation has allotted 1,82,50,000 number of shares to President of India through preferential allotment on 14.9.2009. As a result of preferential allotment and pursuant to SEBI DIP Guidelines, 20% of the post paid-up capital i.e. 1,71,53,880 equity shares of the Govt. of India has been in lock-in period for three years from the date of allotment i.e. up to 14.09.2012.

(x) **Dematerialization of Shares:** The Corporation's shares are admitted for dematerialization with NSDL and CDSL. As on 31st March, 2012, 85759275 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 CUMPUTERSHARE PVT. LTD.
Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad-500081
Contact person : Mr. V. K. Jayaraman/
Mr. Mahindra Singh
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, 2012
2nd Quarterly Results	: on or before 15th November, 2012
3rd Quarterly Results	: on or before 15th February, 2013
4th Quarterly Results	: on or before 15th May, 2013
AGM for the year ending 31st March, 2012	: on 26th September, 2012

(xv) There was no complaint of the Shareholders/Investors forwarded to the Corporation by SEBI, Stock Exchanges & the Ministry of Corporate Affairs during 2011-12. 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 queries and grievances during the year 2011-12, are as under:-

Particulars	Received and outstanding at the beginning of the year	Redressed	Pending with Investors for completing procedural formalities
Non-receipt of Dividend 3		3	Nil
Transfer of Shares	Nil	Nil	Nil
Issue of Duplicate Shares	1	1	Nil

(xvi) **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

(14) **Corporate Social Responsibility (CSR)**

During the year 2011-12, the object of the CSR policy of the Corporation was Skill Development for employment generation. Keeping this objective in mind, the Board mandated to impart vocational training in Hospitality Sector under 'Hunar Se Rozgar' Scheme of the Ministry of Tourism to students who could not complete their schooling and had no skill/training to generate employment.

ITDC has introduced Ashok Fellowship Scheme for the students of Hunar Se Rozgar under which a student having 90% attendance is given a scholarship of ₹ 1400/- . A total of 734 students have been given Ashok Fellowship.

(15) **Implementation of Voluntary Guidelines on Corporate Governance**

In December 2009, the Ministry of Corporate Affairs issued Voluntary Guidelines on Corporate Governance for voluntary adoption by the Indian Corporate Sector. These guidelines have been stated to be recommendatory in nature and are not intended to be a substitute for or in addition to existing regulations. ITDC has adopted these guidelines partly. In compliance of the above said guidelines, it is stated that :

- At present the post of Chairman has been separated from the Chief Executive. Chairman is Shri Shankersinh Vaghela, a Non-executive non-official Director appointed in the rank of Cabinet Minister. Vice Chairman & Managing Director is Dr. Lalit K. Panwar, an IAS.
- ITDC has formulated a training policy for Board Members. As per the 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.
- In Government Companies, the Independent Directors are appointed by the President of India through the Administrative Ministry i.e. the Ministry of Tourism as approved by the Appointments Committee of the Cabinet (ACC) and recommended by the Public Enterprise Selection Board (PESB).
- All the Directors of ITDC do not hold more than 7 directorship in companies which have been defined under these guidelines.

CEO/CFO Certification

- Independent Directors have absolute freedom in calling upon any Head of Division for calling any information/explanation. Further from time to time, Meeting of the Non-executive members of the Board with Heads of Division of the Corporation are arranged.
- The whole-time directors are the full time employees of the Corporation. The nominee directors serving the Board on behalf of the promoter i.e. Govt. of India, are not being paid any remuneration. Only independent directors are being paid sitting fee @ ₹ 1000/- per meeting.
- As per DPE guidelines, performance of VC&MD and the functional directors are reviewed through the Administrative the Ministry i.e. the Ministry of Tourism according to guidelines issued by Department of Public Enterprises.
- Audit of Internal control system /Internal audit is done by the internal auditors. The material findings of internal audit are placed before the Audit Committee quarterly for critical review and recommendations, if any. In addition, the compliance report relating to various enactments / rules is submitted to the Board quarterly for review.
- As per the provisions of the Companies Act, the statutory auditors of Government Companies are appointed by the C&AG. The remuneration, if any, is put up to

the Audit Committee and the Board for approval.

- Certificate of Independence is received from the Statutory Auditors by the C&AG at the time of their appointment.
- 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). Moreover, 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.

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, 2012.

For India Tourism Development Corporation Ltd.

(Dr. Lalit K. Panwar)
Vice Chairman & Managing Director

It is certified that:

- We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief:
 - Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or statement that might be misleading; and
 - 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.
- 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.
- 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.

- We have indicated to the auditors and the Audit Committee:
 - There have been no significant changes in internal control during the year;
 - 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
 - Instances of significant deficiencies in the Corporation's internal control system including frauds, if any.

For and on behalf of
India Tourism Development Corporation Ltd.

(P.K. Agarwal)
Director (Finance)

(Dr. Lalit K. Panwar)
Vice Chairman & MD

Place: New Delhi
Dated: 31.08.2012

Annexure - II(ii)

Appendix

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

The Network of ITDC Services (as on 31.03.2012)

To
The Members of
India Tourism Development Corporation Limited
New Delhi

- We have examined the compliance of conditions of Corporate Governance by India Tourism Development Corporation Limited, for the year ended 31st March, 2012, 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').
- We have conducted our examination on the basis of the relevant records and documents maintained by the Corporation for the year ended 31st March, 2012 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.
- The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation 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 the Corporation.
- 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:-

As required by Para IA and II A of the Clause 49 of the Agreement, we were informed that the Corporation does not have any Independent Director after 19th July, 2010. However, the Government of India has appointed one independent director viz. Shri Shankersinh Vaghela on 13th June, 2012 but still Corporation needs two more independent directors to fulfill the requirements of Clause 49 of the Listing Agreement.

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 : 31st August, 2012
M. No. 503826

A. ASHOK GROUP OF HOTELS

- Ashok Hotel, New Delhi
- Hotel Janpath, New Delhi
- Hotel Samrat, New Delhi
- Lalitha Mahal Palace Hotel, Mysore
- Hotel Jaipur Ashok, Jaipur
- Hotel Jammu Ashok, Jammu
- Hotel Patliputra Ashok, Patna
- Hotel Kalinga Ashok, Bhubaneswar

B. RESTAURANTS

- Taj Restaurant, Agra

C. TRAVEL/TRANSPORT UNITS

- Varanasi
- Bengaluru
- Chennai
- Aurangabad
- Patna
- Delhi
- Kolkata
- Mumbai
- Hyderabad
- Guwahati
- Ranchi

Ashok Tourist Service Station

Chanakyapuri, New Delhi

D. DUTY FREE SHOPS

- | | |
|--------------------------------------|---|
| 1. Goa Airport Arrival Lounge | 1 |
| 2. Goa Airport Departure Lounge | 1 |
| 3. Coimbatore Airport Arrival Lounge | 1 |
| 4. Chennai Seaport | 1 |

- | | |
|--------------------|----------|
| 5. Kolkata Seaport | 1 |
| 6. Haldia Seaport | 1 |
| Total | <u>6</u> |

E. SOUND & LIGHT SHOWS

- Red Fort, Delhi
- Purana Qila, Delhi

F. JOINT VENTURE HOTELS

- Hotel Brahmaputra Ashok, Guwahati
- Hotel Ranchi Ashok, Ranchi
- Hotel Nilachal Ashok, Puri
(Closed since March 2004)
- Hotel Pondicherry Ashok, Puducherry
- Hotel Lake View Ashok, Bhopal
- Hotel Donyi Polo Ashok, Itanagar

G. MANAGED UNITS

- Hotel Bharatpur Ashok, Bharatpur
- Kosi Restaurant, Kosi

H. CATERING ESTABLISHMENTS

- State Guest House & Hospitality Centre
Hyderabad House, New Delhi
- Western Court Catering Service
New Delhi
- Ashok Mayur Restaurant
Vigyan Bhawan, New Delhi

Replies to the Comments contained in Statutory Auditors' Report to the Shareholders on the Accounts for the Year ended 31st March, 2012

Sl. No.	Para No.	Management Reply
1	4(i)	The demands of ESI are being contested before the appropriate judicial/appeal authorities and pending finality in the matters, the same have been included as Contingent Liabilities in Note No. A(i) to Note No. 31 under the claims against the company not acknowledged as debts as per the Accounting Policy of the Company. Also please refer Note F in Note No. 31.
2	4(ii)	Refer Note Nos. 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.
3	4(iii)	Position has been explained in the Notes in the Note No. 11 to Accounts.
4	4(iv)	Refer Note Nos. 2 and 3 of General Note No. 32 to Accounts.
5	4(v)	Refer Note No. 1 of General Note No. 32 to accounts. As per consistent practice letters requesting parties to confirm the balances of outstandings, Loans and Advances are sent by the units/divisions. But the responses are received very rarely. Hence most of the balances remain unconfirmed. However, units/divisions have also been advised to send the letters for confirmation of balances twice a year i.e. as on 30th September and 31st March of the year.

Sl. No.	Para No.	Management Reply
6	6(a)	The inventories in the shop from the time of purchase till the sales are effected, remains under the supervision of Custom authorities. The movement records thereof are maintained at the shop level. The inventories in the accounts have been valued as per the Accounting Policy of the Company.
7	6(e)	Regarding non amortisation of lease charges in respect of Samrat Hotel New Delhi, refer Note No. (c) in Note No. 11 to Accounts. Regarding conversion of balance with foreign bank in Iraqi Dinar at the rates prevailing as on 31.3.1991, refer Note No. 3 of General Note No. 32 to Accounts. The balance being doubtful of repatriation, provision has been made in accounts. (Refer Note No. 18) The information to the extent available has been disclosed in Note No. 10 of General Note No. 32 of and the observation of the audit is noted for compliance in the next financial year. Refer Note No. 11 in General Note No. 32 to Accounts. However, the concerned units have been advised to disclose the requisite information to the extent possible.

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.

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, 2012

Sl. No.	Para No.	Management Reply
1	5(i)	The demands of ESI are being contested before the appropriate judicial/ appellate authorities and pending finality in the matters, the same have been included as Contingent Liabilities in Note No. A(i) to Note No. 31 under the claims against the company not acknowledged as debts as per the Accounting Policy of the Company. Also please refer Note F in Note No. 31.
2	5(ii)	Position has been explained in the Notes in the Note No. 11 to Accounts.
3	5(iii)	Refer Note Nos. (b) and (c) of General Note No. 32 to Accounts.
4	5(iv)	Refer Note No. (a) of General Note No. 32 to Accounts. As per consistent practice letters requesting parties to confirm the balances of outstandings, Loans and Advances are sent by the units/divisions. But the responses are received very rarely. Hence most of the balances remain unconfirmed. However, units/divisions have also been advised to send the letters for confirmation of balances twice a year i.e. as on 30th September and 31st March of the year.
5	7(a)	The inventories in the shop from the time of purchase till the sales are effected, remains under the supervision of Custom authorities. The movement records thereof are maintained at the shop level. The inventories in the accounts have been valued as per the Accounting Policy of the Company.
6	7(d)	Regarding non amortisation of lease charges in respect of Samrat Hotel, New Delhi, refer Note No. (c) in Note No. 11 to Accounts. Regarding conversion of balance with foreign bank in Iraqi Dinar at the rates prevailing as on 31.3.1991, refer Note (c) of General Note No. 32 to Accounts. The balance being doubtful of repatriation, provision has been made in Accounts. (Refer Note No. 18) The information to the extent available has been disclosed in Note No. (n) of General Note No. 32 of and the observation of the audit is noted for compliance in the next financial year. Refer Note No. (h) in General Note No. 32 to Accounts. However, the concerned units have been advised to disclose the requisite information to the extent possible.

Statement pursuant to exemption under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies as on 31st March, 2012

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	Proposed Dividend
Ranchi Ashok Bihar Hotel Corporation Ltd.*	2011-12	71,60,000	(3,08,93,415)	2,18,78,806	4,56,12,220	-	2,28,27,796	(57,58,389)	-	(57,58,389)	-
	2010-11	71,60,000	(2,51,35,025)	2,36,27,286	4,16,02,311	-	2,49,95,401	(65,25,421)	(540)	(65,24,881)	-
MP Ashok Hotel Corporation Ltd.*	2011-12	1,60,00,000	(2,28,38,343)	6,69,52,690	7,37,91,033	-	6,38,79,647	94,79,398	36,60,877	58,18,521	-
	2010-11	1,60,00,000	(2,86,56,864)	5,39,69,889	6,66,26,754	-	5,76,07,064	99,75,205	67,45,236	32,29,969	-
Pondicherry Ashok Hotel Corporation Ltd.*	2011-12	60,00,000	43,13,323	2,81,31,115	1,78,17,792	-	1,85,81,798	(39,36,471)	(1,46,836)	(37,89,635)	-
	2010-11	60,00,000	81,02,958	3,01,72,866	1,60,69,908	-	2,39,45,467	2,58,972	(3,33,008)	5,92,580	-
Utkal Ashok Hotel Corporation Ltd.*	2011-12	4,80,00,000	(19,41,07,377)	2,59,42,923	17,20,50,300	-	-	(60,24,332)	-	(60,24,332)	-
	2010-11	4,80,00,000	(18,80,83,045)	2,57,07,776	16,57,90,821	-	-	(70,60,605)	-	(70,60,605)	-
Punjab Ashok Hotel Company Ltd.*	2011-12	2,50,00,000	(13,38,621)	2,74,36,552	37,75,173	-	-	(16,280)	-	(16,280)	-
	2010-11	2,50,00,000	(13,22,341)	2,72,47,171	35,69,512	-	-	(56,865)	-	(56,865)	-
Donyi Polo Ashok Hotel Corporation Ltd.*	2011-12	99,75,000	1,07,50,167	2,83,30,182	76,05,015	-	2,10,13,127	5,42,430	(6,30,064)	11,72,494	-
	2010-11	99,75,000	95,77,673	2,84,60,666	89,07,993	-	2,03,88,984	25,66,457	6,98,975	18,67,482	-
Assam Ashok Hotel Corporation Ltd.*	2011-12	1,00,00,000	(6,03,91,296)	4,38,35,166	9,42,26,461	-	6,67,72,864	(6,62,348)	4,53,220	(11,15,568)	-
	2010-11	1,00,00,000	(5,92,75,728)	4,75,44,572	9,68,20,300	-	5,92,32,734	(59,36,273)	-	(59,36,273)	-

* The Annual Accounts for the year 2011-12 were approved by their respective Board of Directors of Subsidiary Companies. AGM of these companies will be held for adoption of Audited Accounts after receipt of comments from CbAG.

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

- We have audited the attached Balance Sheet of **India Tourism Development Corporation Limited**, New Delhi as at 31st March, 2012, 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 32 units/ branches audited by respective branch auditors appointed by the Comptroller and Auditor General of India. These financial statements are the responsibility of the Corporation's management. 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 mis-statement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial

statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such examination of the books and records of the Corporation as we considered appropriate and the information and explanations given during the course of audit and after considering the reports of unit/branch auditors, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - There are demands of ₹ 510.19 lakh (Previous Year ₹ 488.01 lakh) from ESI authorities in respect of ESI dues, which are being disputed by the Corporation and not provided for (Refer Note No. 31(F)).
 - The Corporation is due ₹ 1,377.85 lakh as at 31.03.2012 (₹ 1,306.96 lakh up to 31.03.2011) 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 31.03.2012 of ₹ 729.10 lakh (Previous Year ₹ 729.10 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 some 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)).

iii) Lease Rent / registration fee / ground rent / depreciation due to non-finalization of terms of purchase / lease / title deeds of land and buildings have not been provided for. [Refer Note No. 11]

iv) Pending reconciliation / receipt of detailed statement of accounts from NBCC, provision has not been made for interest payable to / recoverable from and amount due from NBCC pertaining to Iraq Project. Effect on the accounts on due receipt / adjustment / accounting thereof cannot be indicated at this stage. [Refer Note Nos. 2 & 3 of General Note No.32]

v) Balance in Trade Receivables, Loans and Advances, Deposits and Trade Payables accounts are subject to independent confirmation and reconciliation in some of the cases. [Refer Note No. 1 of General Note No.32]

5. Without qualifying our opinion, we further report that:

i) Provision for Property Tax of ₹ 240.83 lakh is standing in the books of The Ashok Hotel as on 31.03.2012 out of this ₹ 62.01 lakh is seems to be excess provision made, which is pending assessment proceedings;

ii) The Ashok Hotel is showing an Amount of ₹ 17,05,250/- (Dr.) in the Loans & Advances- Doubtful(others). However, there are no details related to this amount present with the unit. Unit should write off these amount as there is no details available for these assets;

iii) 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 for 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.

6. Further to our comments in the annexure referred to in paragraph 3 and paragraph 5 and subject to our comments in paragraph 4 above, we further report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit except month wise movement of stock of DFS-Goa. In the absence of which we could not reconcile stock reported as on 31st March, 2012 with book records and its value.

b) In our opinion proper books of account, as required by law, have been kept so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch auditors in respect of the units / branches audited by them;

c) The reports of the branch auditors on the accounts of units / branches audited by them have been received and considered by us in preparing this report after making such adjustments as we considered necessary;

d) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books

of account and audited financial statements of the branches;

e) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 except to the extent referred to hereunder:-

- Lease charges in respect of land of Hotel Samrat not having been amortised. [Note No. 11] - Accounting Standard -6 - Depreciation Accounting.*

- Conversion of balance with foreign bank in Iraqi Dinar at the rate prevailing as on 31st March, 1991 instead of applying year end rates. [Refer Note No. 18] - Accounting Standard-11- Accounting for Effect of Changes in Foreign Exchange Rates.*

- Non-disclosure of complete details pertaining to transactions entered into during the year with related parties-Accounting Standard-18-Related Party Disclosure.*

- 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.

From the available information, we are unable to quantify the impact on the financial statements due to non-compliance of the Accounting Standards referred to above.

- f) The provisions of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956, are not applicable to the Corporation in terms of Notification No. G.S.R. 829(E) dated 21st October, 2003 issued by Government of India, Department of Company Affairs;

7. We further report that:-

- a) We are unable to comment on the extent of liability that may devolve upon the Corporation and impact the financial statements on resolution, of legal proceedings referred to in Para 4(i).
- b) The adjustments that may arise pertaining to matters referred to in Paras 4(ii), 4(iii), 4(iv), 4(v) which cannot be quantified at this stage.

8. Subject to our comments in paragraphs 6(e) and 7 above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and other notes, give 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, 2012,
- 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.

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

Place: New Delhi
Date: 31.08.2012

Vivek Kumar
(Partner)
Membership No. 503826

Annexure Referred to in Paragraph 3 of our Report of even date on the Accounts of India Tourism Development Corporation Limited for the Year ended 31st March, 2012

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. In this connection refer to our comment in Para 2(b) above also.

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. There has been continuing failure to correct major weaknesses in internal control systems, reported by the internal auditors in the previous year on similar lines, at these branches.

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 thereunder.

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, Employees' 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 31.03.2012 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, Hyderabad House	ESI	4.79 1.72	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, Employees' 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
The Delhi Sales tax Act, 1975	Local Sales Tax	1,839.83	1990 to 2007	Various Authorities
The Central Sales Tax Act, 1956	Central Sales Tax	12.84	1987 to 2002	Various Authorities
Andhra Pradesh VAT Act, 2005	Local Sales Tax	327.15	2005 to 2007	Hyderabad High Court
Maharashtra Sales Tax Act	Sales Tax	2,045.50	1995 to 2008	Commissioner Appeals
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	380.26	1992-93 1994-95 & 1995-96 2008-09 & 2009-10	Income Tax Appellate Tribunal Delhi High Court ITAT of CIT (A)

Customs Act, 1962 Mumbai	Custom Duty	18,480.11	1995 to 2008	CESTAT
Customs Act, 1962 Hyderabad	Custom Duty	2.14	2006-07	Committee on Disputes
Provident Fund Hotel Janpath	(PF)	1.14	1988-89	Delhi High Court
Hotel Samrat		17.92	1982-85	Supreme Court of India
Custom Act, 1962 Kolkata	Custom Duty	45.17	2003	Committee on Disputes
Excise Duty, Kalinga	Excise Duty	13.33	2002-03	High Court, Odisha
Employees' State Insurance	ESI			
Hotel Janpath		27.90	Earlier Years	High Court of Delhi
Ashok Hotel		442.09		
Hotel Samrat		21.91		
IGIAR		11.04		
Taj Restaurant, Agra		7.25		
Employees' State Insurance Kalinga	ESI	1.45	Earlier Years	Distt. Court, Khurda
Sales Tax, Taj Restaurant	Sales Tax	0.85	Earlier Years	Sales Tax Tribunal
Employees' State Insurance Hotel Patliputra Ashok	ESI	0.75	Earlier Years	Labour Court
Bihar VAT Act Hotel Patliputra Ashok	Local Sales Tax	3.09	Earlier Years	JCCT, Patna
Service Tax Act, 1994 Ashok Hotel	Service Tax	16.47	Earlier Years	CESTAT, Delhi
ARMS		39.65	2010-11	Add. Commissioner of Service Tax

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 ₹ 294.36 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 during earlier years 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)

Place: New Delhi
Date: 31.08.2012

Vivek Kumar
(Partner)
Membership No. 503826

Accounts (Standalone) for the Year 2011-12

Balance Sheet as at 31st March, 2012

Particulars	Note	(₹ in lakh)	
		As at 31.3.2012	As at 31.3.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	8,576.94	8,576.94
Reserves and Surplus	3	22,299.45	21,943.96
Deferred Government Grants		9.91	10.51
(2) Non-Current Liabilities			
Long-Term Borrowings	4	-	-
Other Long-Term Liabilities	6	450.87	547.75
Long-Term Provisions	7	4,367.03	3,391.31
(3) Current Liabilities			
Short-Term Borrowings	8	-	-
Trade Payables	9	6,095.17	6,476.12
Other Current Liabilities	10	14,436.44	16,360.21
Short-Term Provisions	7	2,462.45	1,074.97
		22,994.06	
TOTAL		58,698.26	58,381.77
II. ASSETS			
(1) Non-Current Assets			
Fixed Assets			
Tangible Assets in Active Use	11	6,101.50	6,257.83
Tangible Assets Not in Active Use	11A	9.45	10.78
Intangible Assets	12	28.48	25.83
Capital Work-in-Progress	12A	311.20	2,189.57
Non-Current Investments	13	813.74	813.78
Deferred Tax Assets (Net)	5	2,570.85	3,318.58
Long-Term Loans and Advances	14	298.54	302.72
Other Non-Current Assets	15	38.83	-
		10,172.59	
(2) Current Assets			
Inventories	16	1,124.60	1,151.48
Trade Receivables	17	11,472.03	9,488.07
Cash and Cash Equivalents	18	25,819.56	26,983.59
Short-Term Loans and Advances	14A	8,237.73	6,777.71
Other Current Assets	19	1,871.75	1,061.83
		48,525.67	
TOTAL		58,698.26	58,381.77

Significant Accounting Policies

1
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)
(P.K. Agarwal) Director (Finance)

(Dr. Lalit K. Panwar)
Vice Chairman &
Managing Director

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

Date : 31st August, 2012
Place : New Delhi

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

Statement of Profit & Loss for the Year Ended 31st March, 2012

Particulars	Note	(₹ in lakh)	
		Year Ended 31.3.2012	Year Ended 31.3.2011
REVENUE			
I. Revenue from Operations			
Sales of Products		8,976.86	8,516.27
Sales of Services		30,592.13	28,398.48
Other Operating Revenues		193.67	116.13
II. Other Income	21	2,543.34	2,204.87
III. Total Revenue (I+II)		42,306.00	39,235.75
EXPENSES			
IV. Total Expenses			
Cost of Materials Consumed & Services Rendered	22	4,063.43	4,010.29
Purchase of Stock-in-Trade	23	1,527.96	1,327.08
Changes in inventories of Finished Goods and Stock-in-Trade	24	(24.47)	60.64
Employees' Remuneration & Benefits	25	13,801.93	14,199.13
Finance Costs	26	1.99	-
Depreciation and Amortization Expense	11&12	553.05	560.43
Less: Attributed to the Projects		(0.19)	(0.19)
Operating Expenses & Other Expenses	27	20,444.17	20,327.45
V. Profit/(Loss) Before Exceptional, Extraordinary Items and Prior Period Adjustments (III-IV)		1,938.13	(1,249.08)
VI. Exceptional Items			
VII. Profit/(Loss) Before Extraordinary Items and Prior Period Adjustments (V-VI)	28	329.09	92.74
Prior Period Adjustments	29	64.72	14.65
Prior Period Income		129.72	31.53
Prior Period Expenses/Adjustments		(65.00)	(1,173.22)
VIII. Profit/(Loss) Before Extraordinary Items		2,202.22	(1,173.22)
IX. Extraordinary Items			
X. Profit/(Loss) Before Tax(PBT) (VIII-IX)			
XI. Tax Expense of Continuing Operations			
Current Tax (Income Tax)		(600.00)	-
Tax Written Back (Previous Year)		-	2.62
Current Tax (Wealth Tax)		(0.58)	(0.61)
MAT Credit Entitlement		-	-
Deferred Tax	5	(747.73)	312.58
XII. Profit/(loss) for the period from continuing operations (X-XI)		853.91	(858.63)
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] (XII+XV)		853.91	(858.63)
XVII. Earnings per equity share (in ₹)			
(1) Basic &	30	1.00	(1.00)
(2) Diluted			

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

(Dr. Lalit K. Panwar)
Vice Chairman &
Managing Director

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

Date : 31st August, 2012
Place : New Delhi

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

Note - 1

A. 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. Particular No.	*Straight Line Method % adopted by Corporation		**Straight Line Method % rates as per Schedule XIV of Company Act		***Revised Straight Line Method % rates as per Schedule XIV of Company Act	
	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 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 31.3.2012	As at 31.3.2011
Authorised Share Capital		
15,00,00,000 Equity Shares of ₹ 10/- each (Previous year 15,00,00,000 Equity Shares of ₹ 10/- each)	15,000.00	15,000.00
	15,000.00	15,000.00
Issued & Subscribed Share Capital		
8,57,69,400 Equity Shares of ₹ 10/- each (Previous year 8,57,69,400 Equity Shares of ₹ 10/- each)	8,576.94	8,576.94
	8,576.94	8,576.94
Paid-up Share Capital		
8,57,69,400 Equity Shares of ₹ 10/- each (Previous year 8,57,69,400 Equity Shares of ₹ 10/- each)	8,576.94	8,576.94
Total	8,576.94	8,576.94

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 the 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 31.3.2012	As at 31.3.2011
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	Class of Shares	
	As at 31.3.2012	As at 31.3.2011
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

Name of the Shareholder	As at 31.3.2012		As at 31.3.2011	
	Number of Shares Held	Percentage of Shares Held	Number of Shares Held	Percentage of Shares Held
i) President of India	7,90,00,500	92.108	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 31.3.2012	As at 31.3.2011
Capital Reserve	23.54	23.54
Securities Premium Reserve		
As per Last Balance Sheet	5,475.00	5,475.00
Addition During The Year	-	-
	5,475.00	
General Reserve		
As per Last Balance Sheet	16,445.42	17,304.05
Add/(Less): Current year Adjustments	350.00	(858.63)
Closing Balance	16,795.42	16,445.42
Surplus in the Statement of Profit & Loss		
As per Last Balance Sheet	-	-
Transfer From Profit & Loss Accounts	853.91	-
Surplus For The Year	853.91	-
Appropriations/Adjustments		
Proposed Dividend	428.85	-
Dividend Tax	69.57	-
Transfer to General Reserve	350.00	-
Closing Balance	5.49	-
Grand Total	22,299.45	21,943.96

Long-Term Borrowings

Note - 4

(₹ in lakh)

Particulars	As at	
	31.3.2012	31.3.2011
(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	-	-

Other Long-Term Liabilities

Note - 6

(₹ in lakh)

Particulars	As at	
	31.3.2012	31.3.2011
Security Deposit & Retention Money	450.87	547.75
Total	450.87	547.75

Provisions

Note - 7

(₹ in lakh)

Particulars	As at 31.3.2012			As at 31.3.2011		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Employee Benefits						
Gratuity	6,003.06	1,063.53	7,066.59	5,761.29	958.30	6,719.59
Less:- Fund size of Investments as per Gratuity Policy	(4,662.12)	(133.33)	(4,795.45)	(5,263.10)	(154.71)	(5,417.81)
Leave Encashment	2,994.09	421.20	3,415.29	2,893.12	270.77	3,163.89
Sick Leave	32.00	12.05	44.05	-	-	-
	4,367.03	1,363.45	5,730.48	3,391.31	1,074.36	4,465.67
Income Tax						
Provision for Income Tax	-	600.00	600.00	-	-	-
	-	600.00	600.00	-	-	-
Wealth Tax						
Provision for Wealth Tax	-	0.58	0.58	-	0.61	0.61
	-	0.58	0.58	-	0.61	0.61
Proposed Dividend						
Proposed Dividend	-	428.85	428.85	-	-	-
Dividend Tax	-	69.57	69.57	-	-	-
	-	498.42	498.42	-	-	-
Total	4,367.03	2,462.45	6,829.48	3,391.31	1,074.97	4,466.28

Short-Term Borrowings

Note - 8

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Loans Repayable on Demand		
Secured	-	-
Unsecured	-	-
(B) Loans and Advances from Related Parties		
Secured	-	-
Unsecured	-	-
(C) Public Deposits (Unsecured)	-	-
Total	-	-

Trade Payables

Note - 9

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Current		
Trade Payables	6,095.17	6,476.12
Total	6,095.17	6,476.12

Other Current Liabilities

Note - 10

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Sundry Creditors (Other than trade payables)	3,441.90	5,613.89
Security Deposits & Retention Money	2,877.34	2,744.24
Advances From Customers	5,555.03	6,228.56
Other Liabilities	2,562.17	1,773.52
Total	14,436.44	16,360.21

Notes:-

- Rental agreement with Life Insurance Corporation of India (LIC) expired on 25.07.2005 and is pending renewal. Pending finalisation of terms and conditions and execution of new lease deed, the Corporation has paid the rent @ ₹ 100/- per sq. feet up to 31.03.2012. The Corporation has further provided the additional liability on account of escalation of rent @ 35% on Completion of 5 years w.e.f 26.07.2010 and statutory liability of service tax w.e.f 1/6/2007 as per decision and as demanded by LIC. The Corporation has also provided liability on account of increase in water charge w.e.f 1/1/2011. However, the Corporation has not acknowledged the demand of interest raised by LIC on late payment of the rent @ 12% p.a.
- Sundry creditors include unlinked receipts from customers etc. of ₹ 74.85 lakh (Previous year ₹ 81.24 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				For the year	Depreciation		Impairment		Net Carrying Amount			
		Up to 31.03.2011	Addition during the year	Add/Less: Sales, Transfer, Write Offs and Adjustments during the year	Up to 31.03.2012		Up to 31.03.2011	Add/(Less): Sales, Transfer, Write Offs and Adjustments during the year	Up to 31.03.2012	As at 31.03.2011	Reversed during the year	Provided during the year	Up to 31.03.2012	As at 31.03.2012
1.	Land													
	Owned (FreeHold)	20.60	-	-	20.60	2.25	-	***2.25	-	-	-	-	18.35	18.35
	Leased	326.60	-	-	326.60	31.40	0.97	-	-	-	-	-	294.23	295.20
2.	Buildings-Owned	2,611.68	0.51	-	**2,612.19	1,349.42	47.09	-	-	-	-	-	1,215.68	1,262.26
3.	Plant & Equipment-Owned	6,419.74	136.85	(13.28)	6,543.31	3,546.04	277.72	(6.45)	-	-	-	-	2,726.00	2,873.70
4.	Furniture & Fixtures-Owned	2,700.28	137.87	(9.66)	2,828.49	1,733.89	126.24	(3.88)	-	-	-	-	972.24	966.39
5.	Vehicles-Owned	188.62	7.30	(7.16)	188.76	111.68	14.21	(6.80)	-	-	-	-	69.67	76.94
6.	Office Equipment-Owned	1,552.25	116.53	(7.66)	1,661.12	787.26	74.42	(5.89)	-	-	-	-	805.33	764.99
	Total	13,819.77	399.06	(37.76)	14,181.07	7,561.94	540.65	(23.02)	8,079.57	-	-	-	6,101.50	6,257.83
	Previous Year's Total	12,712.77	1,475.86	(368.86)	13,819.77	7,338.83	552.30	(329.19)	7,561.94	-	-	-	6,257.83	-

* This represents amortization of leasehold land except in case of Hotel Samrat, New Delhi.

** 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.
- Premium paid on Leasehold Land at Hotel Samrat, New Delhi have not been amortised in the absence of any tenure in terms of allotment.
- 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 the 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 ₹ 1,842.75 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 4,841.59 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 31.3.2011	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2012	Up to 31.3.2011	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2012	Depreciated Value as on 31.3.2012	Net Realisable Value as on 31.3.2012		
A. Net Realisable Value is more than Depreciated Value												
Plant & Equipment-Owned	85.13	3.01	1.92	86.22	79.47	2.86	1.72	80.61	5.61	5.61	-	-
Furniture & Fixtures-Owned	21.37	-	0.08	21.29	20.30	-	0.07	20.23	1.06	1.06	-	-
Vehicles-Owned	7.24	-	3.31	3.93	6.88	-	3.14	3.74	0.19	0.19	-	-
Office Equipment-Owned	10.48	-	0.48	10.00	9.14	-	0.06	9.08	0.92	0.92	-	-
Total-A	124.22	3.01	5.79	121.44	115.79	2.86	4.99	113.66	7.78	7.78		
B. Net Realisable Value is less than Depreciated Value:-												
Plant & Equipment-Owned	26.16	-	-	26.16	16.96	-	-	16.96	9.20	1.66	7.54	7.54
Furniture & Fixtures-Owned	0.76	-	-	0.76	0.72	-	-	0.72	0.04	-	0.04	0.04
Vehicles-Owned	10.89	-	10.89	-	9.02	-	9.02	-	-	-	-	-
Office Equipment-Owned	1.57	-	-	1.57	1.01	-	-	1.01	0.56	0.01	0.55	0.55
Total-B	39.38	-	10.89	28.49	27.71	-	9.02	18.69	9.80	1.67	8.13	8.13
Total (A+B)	163.60	3.01	16.68	149.93	143.50	2.86	14.01	132.35	17.58	9.45	8.13	8.13
Previous Year	144.10	36.72	17.22	163.60	130.43	29.43	16.36	143.50	20.10	10.78	9.32	9.32

Intangible Assets

Note - 12

(₹ in lakh)

Sl. No.	Description	Gross Carrying Amount				Provided during the year	Accumulated Amortisation		Accumulated Impairment		Net Carrying Amount				
		As at 31.03.2011	Additional adjustment during the year	Deduction during the year	As at 31.03.2012		As at 31.03.2011	As at 31.03.2012	Deduction during the year	Reversed during the year	Provided during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
1.	Goodwill														
2.	Brands/Trade Marks														
3.	Computer Software														
	- Acquired	35.68	15.20	-	50.88	9.85	12.40	0.16	22.41	-	-	-	-	28.48	25.83
	- Internally Generated														
4.	Mastheads														
5.	Mining Rights														
6.	Copyrights														
	- Acquired														
	- Internally Generated														
7.	Patents														
	- Acquired														
	- Internally Generated														
	Total	35.68	15.20	-	50.88	9.85	12.40	0.16	22.41	-	-	-	-	28.48	25.83
	Previous Year's total	9.50	26.18	-	35.68	1.72	8.13	-	9.85	-	-	-	-	25.83	-

Capital Work-in-Progress

Note - 12A

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
I) Work-in-Progress (at cost) including construction material at site and fixed assets not put to use, value of work done & material supplied by the contractors/suppliers	374.39	2,015.86
II) Expenses attributable on Projects Pending Allocation	113.86	158.17
III) Capital Goods-in-Hand & in Transit	38.54	15.99
	526.79	2,190.02
Less:- Provision for Impairment Loss	215.59	0.45
TOTAL	311.20	2,189.57

Notes:-

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

(₹ in lakh)

Particulars	Current Year	Previous Year
Opening Balance	158.17	88.79
Add:-		
Other Project Overheads	44.90	69.19
Depreciation/Amortisation of Lease	0.19	0.19
Less: Capitalised during the year	89.40	0.00
Closing Balance	113.86	158.17

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 31.3.2012	As at 31.3.2011
Non-Trade Investments		
A. Trade (Unquoted) in Subsidiary Companies*		
(i) Investments in Equity Instruments		
Utkal Ashok Hotel Corporation Ltd. 11,90,000 (P.Y. 11,90,000) Equity Shares of ₹ 10 Each	119.00	119.00
Ranchi Ashok Bihar Hotel Corporation Ltd. 3,652 (P.Y. 3,652) fully paid-up Equity Shares of ₹ 1,000 each	36.52	36.52
Madhya Pradesh Ashok Hotel Corporation Ltd. 8,160 (P.Y. 8,160) fully paid-up Equity Shares of ₹ 1,000 each	81.60	81.60
Assam Ashok Hotel Corporation Ltd. 5,100 (P.Y. 5,100) fully paid-up Equity Shares of ₹ 1,000 each	51.00	51.00
Pondicherry Ashok Hotel Corporation Ltd. 3,060 (P.Y. 3,060) fully paid-up Equity Shares of ₹ 1,000 each	30.60	30.60
Donyi Polo Ashok Hotel Corporation Ltd. 50,896 (P.Y. 50,896) fully paid-up Equity Shares of ₹ 100 each	50.90	50.90
Punjab Ashok Hotel Company Ltd. 12,75,000 (P.Y. 12,75,000) fully paid-up Equity Shares of ₹ 10 each	127.50	127.50
	497.12	497.12
Less:- Provision for diminution in value of Investment in Ranchi Ashok Bihar Hotel Corporation Ltd.**	36.52	36.52
	460.60	460.60
(ii) Investments in Preference Shares*		
Utkal Ashok Hotel Corporation Limited 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. Shares in Joint Venture Company(Trade Unquoted)		
ITDC Aldeasa India Private Limited *** 5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 10/- each	0.50	0.50
Less:- Provision for diminution in value of Investment	0.50	0.50
	-	-
C. Others (Unquoted)		
1. Delhi Maida Consumers Co-operative Society Limited, Delhi One Equity ordinary share of ₹ 25/- Each*****	-	-
2. Investment in Partnership Firms ITDC Showtime Consortium****		
Opening Balance	3.18	3.22
Less : Share of Loss	0.04	0.04
	3.14	3.18
TOTAL	813.74	813.78

* 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.

** In respect of Ranchi Ashok Bihar Hotel Corporation Limited (Subsidiary Corporation) whose property was attempted to be taken over by Financial Institutions during 1996-97, a provision has been made for decrease in the value of investments ₹ 36.52 lakh (Previous Year ₹ 36.52 lakh).

*** 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 loss from the partnership amounting to ₹ 1.16 lakh (Previous Year ₹ 0.15 lakh) has been recognised during the year.

**** During the year 2008-09 the company had entered into a partnership with M/S Showtime Events (India) Pvt.Ltd. for executing event management activities. The share of loss from the partnership amounting to ₹ 0.04 lakh (Previous year profit ₹ 0.04 lakh) (net of firm tax) has been recognised during the year. The details of partners and their capital balance are :-

Name of the Partner	Capital Balance As on 31.3.2012	Profit/ Share
	₹	₹
1) I T D C Ltd.	3,13,344.00	50%
2) Showtime Events (India) Pvt. Ltd.	3,13,344.00	50%

Accounts for the F.Y. 2011-12 is unaudited

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

Notes:-

Investments of ₹ 729.10 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.

Deferred Tax Assets (Net)

Note - 5

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
DEFERRED TAX LIABILITIES	-	-
DEFERRED TAX ASSETS	2,570.85	3,318.58
DEFERRED TAX ASSETS (NET)	2,570.85	3,318.58

Notes:-

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

The major components of deferred tax asset (net) as on 31.3.2012 are given below:-

DEFERRED TAX LIABILITIES	31.3.2012	31.3.2011
Depreciation	560.49	551.94
DEFERRED TAX ASSETS		
Carried forward Business Loss	244.65	932.66
Carried forward Short Term Capital Loss	-	-
Provision for Gratuity	736.87	422.36
Provision for Doubtful Debts & Advances & Inventory write down	1,049.80	928.38
Disallowances under Income Tax Act, 1961	1,100.02	1,587.12
	3,131.34	3,870.52
DEFERRED TAX ASSET (NET)	2,570.85	3,318.58

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 31.3.2012 has been recognised in the financial statements.

Long-Term Loans and Advances

Note - 14

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
A) Security Deposits		
Secured, considered good	0.89	0.44
Unsecured, considered good	136.68	141.31
Doubtful	25.76	25.08
Less: Allowance for bad and doubtful advances	(25.76)	(25.08)
Total (A)	137.57	141.75
(B) Others		
Secured, considered good	-	-
Unsecured, considered good	160.97	160.97
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (B)	160.97	160.97
TOTAL [(A)+(B)]	298.54	302.72

Other Non-Current Assets

Note - 15

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Long-Term Trade Receivables other than Current (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	38.50	-
Doubtful	2,552.00	2,346.26
Less: Allowance for bad and doubtful advances	(2,552.00)	(2,346.26)
Total (A)	38.50	-
(B) Others		
Secured, considered good	-	-
Unsecured, considered good	0.33	-
Doubtful	403.55	398.33
Less: Allowance for bad and doubtful advances	(403.55)	(398.33)
Total (B)	0.33	-
TOTAL [(A)+(B)]	38.83	-

Inventories

Note - 16

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(As per inventories prepared, valued and certified by the Management at lower of the cost or net realisable value)		
Stores and Spares	252.55	259.91
Tools	0.36	0.26
Crockery, Cutlery, Glassware and Linen etc. (in hand and in use)	273.62	341.75
Other Stocks and Stores (Others)	637.60	630.18
Less:- Provision for Inventory Write Down	39.53	80.62
Total	1,124.60	1,151.48

Trade Receivables

Note - 17

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
1. Current Trade Receivables		
(A) Trade Receivables outstanding for more than six months from the date they became due for payment:		
(i) Secured, considered good	199.48	165.23
(ii) Unsecured, considered good	4,476.60	2,216.46
(iii) Doubtful	194.59	-
Less: Allowance for bad and doubtful debts	194.59	-
TOTAL (A)	4,676.08	2,381.69
(B) Trade Receivables (others)		
(i) Secured, considered good	309.91	374.14
(ii) Unsecured, considered good	6,486.04	6,732.24
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
TOTAL (B)	6,795.95	7,106.38
TOTAL {A+B}	11,472.03	9,488.07

Notes:-

1. Trade Receivables include ₹ 297.21 lakh (net) (Previous year ₹ 321.53 lakh-net) in respect of following Subsidiary Companies:

Name of the Company	Current Year	Previous Year
Assam Ashok Hotel Corporation Ltd.	125.68	125.68
Donyi Polo Ashok Hotel Corporation Ltd.	0.00	0.00
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.	0.00	0.00
Total	354.95	354.95
Less: Provision made	57.74	33.42
Net	297.21	321.53

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

2. Trade receivables include the following:-

(₹ in lakh)

Particulars	Current Year	Previous Year
Debts due from Directors and officers of the Corporation.	0.16	0.16
Maximum amount due from Directors and officers of the Corporation during the year	0.16	0.16

Cash and Cash Equivalents

Note - 18

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Cash on hand		
Cash on hand	19.67	20.00
(B) Balances with Banks		
In Current Account*	2,629.31	3,386.76
In Savings Account	-	-
Provision for Doubtful Recovery	(1.23)	(1.23)
(C) Cheques, Drafts in hand		
Cheques in hand	301.02	164.19
Drafts in hand	-	-
(D) Other Bank Balances		
Term deposits with Banks for Less than 12 months	22,800.00	23,378.60
Term deposits with Banks for more than 12 months**	70.79	35.27
TOTAL	25,819.56	26,983.59

* include balance with Refidien Bank of Baghdad for ID 2147.703 which equals to ₹ 1.23 lakh remains unconfirmed (since provided for)

** Include FDR's of ₹ 31.91 lakh (Previous year ₹ 30.91 lakh) lodged as security

Short Term Loans & Advances

Note - 14A

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Loans and Advances to Related Parties		
Secured, considered good	-	-
Unsecured, considered good	1,165.38	1,051.35
Doubtful	20.18	9.88
Less: Allowance for bad and doubtful advances	(20.18)	(9.88)
Total (A)	1,165.38	1,051.35
(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		
Secured, considered good	-	-
Unsecured, considered good	8.88	10.91
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (B)	8.88	10.91
(C) Others (Specify)		
Secured, considered good	1.56	2.08
Unsecured, considered good	1,894.55	1,780.50
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (C)	1,896.11	1,782.58
(D) Advance Income Tax and Tax Deducted at source	5,162.55	3,932.24
Total (D)	5,162.55	3,932.24
(E) Sales Tax paid in Advance	4.81	0.63
Total (E)	4.81	0.63
TOTAL [(A)+(B)+(C)+(D)+ (E)]	8,237.73	6,777.71

Notes:-

1. Loans and Advances include ₹ 1,165.38 lakh (net) (Previous year ₹ 1,051.34 lakh-net) in respect of following Subsidiary Companies :

Name of the Company	(₹ in lakh)	
	Current Year	Previous Year
i) Assam Ashok Hotel Corporation Ltd.	73.81	73.36
ii) Donyi Polo Ashok Hotel Corporation Ltd.	(1.26)	-
iii) MP Ashok Hotel Corporation Ltd.	265.49	286.13
iv) Pondicherry Ashok Hotel Corporation Ltd.	21.42	15.61
v) Ranchi Ashok Bihar Hotel Corporation Ltd.**	234.04	229.27
vi) Utkal Ashok Hotel Corporation Ltd.*	564.88	428.89
vii) Punjab Ashok Hotel Company Ltd.	27.18	27.96
Total	1,185.56	1,061.22
Less: Provision made	20.18	9.88
Net	1,165.38	1,051.34

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

2. Loans and Advances include the following:-

Particulars	(₹ in lakh)	
	Current Year	Previous Year
Advances due from Directors and officers of the Corporation	8.88	10.91
Maximum amount due from Directors and officers of the Corporation during the year	15.40	15.92

3. Amount recoverable includes:-

- ₹ 268.73 lakh (Previous year ₹ 268.73 lakh) from NDMC relating to transfer of fixed assets of erstwhile Akbar Hotel as agreed with them under package deal. The NDMC has agreed to adjust this amount against dues of Property Tax upon finalisation and determination of the said amount.
 - **ii). ₹ 208.00 lakh (Previous year ₹ 208.00 lakh) paid by the Corporation against bid for property of Ranchi Ashok Bihar Hotel Corporation Limited (Subsidiary Corporation) which was attempted to be taken over by the Financial Institutions due to non-repayment of loan & interest by the Subsidiary Corporation. Subsequently, co-promoter viz. Bihar State Tourism Development Corporation Ltd. (BSTDC) had also offered to purchase the said property against which ITDC has filed a case in the High Court and matter is subjudice.
4. In respect of Ranchi Ashok Bihar Hotel Corporation Limited (Subsidiary Corporation) whose property was attempted to be taken over by Financial Institutions during 1996-97, a provision has been made for decrease in the estimated lower realisability of debts and advances, amounting to ₹ 77.92 lakh (Previous Year ₹ 43.30 lakh).

Other Current Assets

Note - 19

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Interest accrued but not due on Term Deposits	1,033.38	811.40
Others	838.37	250.43
Less: Allowance for bad and doubtful advances	-	-
TOTAL	1,871.75	1,061.83

Notes:-

Others include FDR of ₹ 1.58 lakh deposited with RPFJ Jaipur

Revenue from Operations

Note - 20

Particulars	(₹ in lakh)	
	Year Ended 31.3.2012	Year Ended 31.3.2011
Sales of Products (A)		
Food	5,557.54	5,126.04
Beer, Wine & Spirits	1,777.17	1,950.47
Cigars and Cigarettes	196.35	168.48
Soft Drinks	306.76	244.99
Petrol, oil & Lubricant	1,030.04	930.15
Tourist Literature and Other Publications	51.80	44.36
Miscellaneous Sales	57.20	51.78
Total (A)	8,976.86	8,516.27
Sales of Services (B)		
Room Rent	12,257.08	12816.67
Licence Fees	4,155.53	3602.42
Banquet Hall/Lawn Rental	1,146.33	1130.73
Traffic Earnings & Package Tours	1,358.35	1283.33
Travel Services	7,791.27	5369.34
Management/Consultancy/Event Management/Training Fees	2,008.80	1500.08
Revenue From execution of Project	732.17	1579.79
Son-et-Lumiere & Cultural Shows	91.52	81.99
Commission Received	46.76	35.76
Electricity Charges	436.65	435.12
Telephone Services	6.72	11.52
Advertisement Income	157.48	126.99
Service Charges	403.47	424.74
Total (B)	30,592.13	28,398.48
Other Operating Revenues (C)		
Miscellaneous Income	193.67	116.13
Total (C)	193.67	116.13
TOTAL (A)+(B)+(C)	39,762.66	37,030.88

Notes:-

Pending execution of Fresh License 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 31.3.2012	Year Ended 31.3.2011
Other Income		
Interest (Gross) From-Banks/Financial Institutions	2,270.00	1,881.87
Loan to Employees	0.80	0.95
On Income Tax Refund	20.92	-
Others	1.11	1.82
Profit on sale of Assets	0.64	5.34
Gain on Foreign Exchange Variation	28.17	27.04
Grant from the Ministry of Tourism	0.60	0.84
Others	221.10	287.01
Total	2,543.34	2,204.87

Notes:-

- Interest on deferred payments from M/s NBCC from 01.4.1994 onwards regarding Iraq project has not been accounted for in the absence of advice from NBCC.
- Out of the balance amount of ₹ 10.51 lakh (Previous year ₹ 11.35 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 0.60 lakh incurred during the year (Previous year ₹ 0.84 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 ₹ 9.91 lakh (previous year ₹ 10.51 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 31.3.2012	Year Ended 31.3.2011
(A) Cost of Consumption of Raw Materials, Other Materials Sold and Service Rendered		
i) Provisions, Beverages & Smokes		
Opening Stock	64.25	57.91
Add:- Purchases & Adjustments	1,918.22	1,847.95
Less:- Transfer & Adjustments	218.77	265.34
Closing Stock	70.11	64.25
TOTAL (i)	1,693.59	1,576.27
ii) Wine & Liquors		
Opening Stock	239.50	226.49
Add:- Purchases & Adjustments	383.24	342.82
Less:- Transfer & Adjustments	93.05	47.59
Closing Stock	219.02	239.50
TOTAL (ii)	310.67	282.22
iii) Other Materials		
Opening Stock	1.89	1.89
Add:- Purchases & Adjustments	42.04	35.72
Less:- Transfer & Adjustments	1.89	-
Closing Stock	-	1.89
TOTAL (iii)	42.04	35.72
TOTAL (i+ii+iii) A	2,046.30	1,894.21
(B) Cost of Service Rendered/Purchased:-		
- Execution of Project	644.36	1,425.30
- Other Services	1,383.71	699.52
TOTAL (B)	2,028.07	2,124.82
TOTAL (A+B)	4,074.37	4,019.03
Less: Charged to the Ministry of External Affairs	(10.94)	(8.74)
GRAND TOTAL	4,063.43	4,010.29

Notes:-

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 31.3.2012	Year Ended 31.3.2011
i) Provisions, Beverages & Smokes	109.39	22.55
ii) Wine & Liquors	370.56	363.09
iii) Other Material	1,048.01	941.44
TOTAL	1,527.96	1,327.08

Change in Inventory of Traded Goods

Note - 24

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
(A) OPENING STOCK		
i) Provisions, Beverages & Smokes	23.92	93.57
ii) Wine & Liquors	238.89	229.63
iii) Other Material	61.21	61.46
TOTAL	324.02	384.66
(B) CLOSING STOCK		
i) Provisions, Beverages & Smokes	36.94	23.92
ii) Wine & Liquors	240.40	238.89
iii) Other Material	71.15	61.21
TOTAL	348.49	324.02
(C) CHANGE IN INVENTORY	(24.47)	60.64
	(24.47)	60.64

Employees' Remuneration & Benefits

Note - 25

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
Salaries, Wages & Bonus	11,248.87	11,476.12
Employer's Contribution to Provident & Other Funds	947.88	879.29
Staff Welfare Expenses (including contribution to Staff Welfare Fund)	913.18	876.39
Uniform	58.48	58.62
Provision/Contribution to Employees' Gratuity Scheme (net)	847.62	1,198.52
	14,016.03	14,488.94
Less:-		
Charged to the Projects of the Ministry of Tourism	47.46	48.95
Charged to the Ministry of External Affairs	166.64	240.86
	13,801.93	14,199.13

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 Encashment	Half Pay Leave
Fair Value of Defined Obligation			
Present Value of projected benefit obligation as at 1.04.11	6,719.59	3,163.89	-
Current service cost	281.70	165.76	-
Interest cost	571.17	268.93	-
Actuarial gain (-) / losses (+)	452.42	(183.29)	-
Past service cost	-	-	-
Benefits paid	(958.29)	-	-
Present value of projected benefit obligation as on 31.03.2012	7,066.59	3,415.29	44.05

(₹ in lakh)

Particulars	Gratuity	Leave Encashment	Half Pay Leave
Reconciliation of Fair Value of Assets and Obligations			
Fair value of plan assets as on 1.04.2011	5,417.81	-	-
Acquisition adjustment	-	-	-
Expected return on plan assets	457.67	-	-
Actual Company's contribution	63.24	-	-
Actuarial gain (-) / losses (+)	-	-	-
Benefits paid/adjustments	(1,143.27)	-	-
Fair value of plan assets as on 31.03.2012	4,795.45	-	-
Present value of defined obligation	7,066.59	3,415.29	44.05
Net liability recognised in the Balance Sheet (Note-7)	2,271.14	3,415.29	44.05
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2012			
Current service cost	281.70	165.76	-
Interest cost	571.17	268.93	-
Actuarial gain (-) / losses (+)	452.42	(183.29)	-
Past service cost	-	-	-
Expected return on plan assets	(457.67)	-	-
Employees' Remuneration & Benefit charged to Profit & Loss A/c			
a) Gratuity	847.62	-	-
b) Others	-	251.40	44.05
Gratuity Fund Investment Details (Fund manager wise, to the extent funded)			
Life Insurance Corporation of India	1,673.12	-	-
Life Insurance Corporation of India	1,743.78	-	-
Metlife Traditional Fund	440.22	-	-
Metlife Unit Linked	222.95	-	-
AVIVA Life Insurance Company India Ltd.	474.70	-	-
HDFC Standard Life Insurance	240.68	-	-
Total	4,795.45	-	-

(₹ in lakh)

Particulars	Gratuity	Leave Encashment	Half Pay Leave
Actuarial assumption			
Discount rate	8.50% per annum	8.50% per annum	
Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	
Withdrawal rate (18-30 years)	0.00% p.a.	0.00% p.a.	
Withdrawal rate (31-44 years)	1.00% p.a.	1.00% p.a.	
Withdrawal rate (44-58 years)	3.00% p.a.	3.00% p.a.	
Expected rate of return	8.96% p.a.	NIL	
Future salary increase	5.00% p.a.	5.00% p.a.	
Retirement age	58 years	58 years	

Finance Cost

Note - 26

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
Interest paid to Banks	1.99	-
Other Borrowing Cost	-	-
TOTAL	1.99	-

Operating and Other Expenses

Note - 27

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
TRAVELLING AND CONVEYANCE		
(a) Directors	11.23	9.28
(b) Officers & Staff	119.38	152.08
(c) Staff Car Expenses	63.09	57.82
	193.70	
RENT, RATES, TAXES AND INSURANCE		
(a) Rent	1,122.67	625.03
(b) Rates & Taxes	258.54	270.87
(c) Insurance	95.09	74.20
	1,476.30	
REPAIRS & MAINTENANCE		
(a) Plant and Machinery	330.53	499.39
(b) Buildings	1,330.65	3,386.15
(c) Vehicles	9.60	11.36
(d) Others	1,340.15	1,491.93
	3,010.93	
Auditors' Remuneration(Including Branch Auditors)		
(a) Audit fees	11.90	11.67
(b) Tax audit fees	3.57	3.50
(c) Certification	0.51	0.45
(d) Taxation Matters	-	-
(e) Company Law Matters	-	-
(f) Out of Pocket Expenses	0.09	0.02
	16.07	
Directors' Sitting Fees	-	0.02
Legal and Professional Charges	127.95	109.44
Printing, Stationery and Periodicals	110.34	116.52
Communication Expenses	87.56	103.22
Power & Fuel	2,570.44	2,123.43
Advertisement, Publicity & Sales Promotion	330.48	251.44
Entertainment	13.34	19.36
Band and Music	41.83	44.88
Expenses on Cultural Shows	0.61	15.52
Commission to Travel Agents & Credit Card Companies	60.92	41.03
Licencees' Share of Profit	310.01	444.28
Miscellaneous Expenses	85.25	145.07
Upkeep, Service Cost and Other Operating Expenses	11,067.96	8,740.54
Loss on Sale of Fixed Assets/Write off of Assets	5.65	1.99
Loss on Collaboration Ventures	1.20	0.19
Depletion/Consumption & Breakage in Crockery, Cutlery & Utensils etc.	42.42	39.89
Donation	2.01	-
Interest paid on Advances	91.52	-
Bad Debts	1.53	8.15
Loss on Foreign Exchange Variations	5.13	-
Advances Written Off	-	969.66

Provision for Doubtful Debts & Advances	581.14	705.42
Provision for Impairments	215.59	-
Provision for Diminution of Fixed Assets	-	2.46
Provision for Inventory Write Down/Write Off of Inventories	3.87	0.54
Corporate Social Responsibility	69.81	-
	<u>20,523.56</u>	<u>20,476.80</u>
Less:-		
Charged to the Projects of the Ministry of Tourism	9.85	9.68
Charged to the Ministry of External Affairs	67.71	137.06
Departmental Expenses Charged to ITDC Unit	1.83	2.61
	<u>79.39</u>	<u>149.35</u>
	<u>20,444.17</u>	<u>20,327.45</u>

Notes:-

1. Expenses on generation of power:-

Particulars	₹ In lakh	
	Current Year	Previous Year
Salaries and Wages	-	5.75
Fuel	24.82	65.71
Depreciation	0.63	10.49
Repairs	16.08	26.99
Others	4.90	-
Total	<u>46.43</u>	<u>108.94</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. ₹ 1,846.98 lakh (Previous Year ₹ 4,570.98 lakh) spent on renovation during the year at various Hotels has been segregated as relating to capital ₹ 83.35 lakh (Previous Year ₹ 994.14 lakh) and revenue expenditure ₹ 1,763.63 lakh (Previous Year ₹ 3,576.84 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 31.3.2012	Year Ended 31.3.2011
Provisions no Longer required written back	329.09	92.74
Total	<u>329.09</u>	<u>92.74</u>

Notes:-

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

(₹ in lakh)

Particulars	Current Year	Previous Year
1. Provision for Doubtful Debts and Advances	158.52	28.45
2. Depreciation	0.33	0.47
3. Cost of Material Sold and Services Rendered	72.86	0.35
4. Salaries, Wages and Benefits	52.61	50.82
5. Repairs and Maintenance	22.90	3.19
6. Loss on Sale of Assets	-	0.20
7. Upkeep & Service Cost	7.41	4.45
8. Other Operating and Administrative Expenses	3.89	2.06
9. Provision for Diminution in Fixed Assets	1.20	-
10. Provision for Inventory written down	9.28	0.40
11. Communication Expenses	0.09	2.35
Total	<u>329.09</u>	<u>92.74</u>

Prior Period Adjustments

Note - 29

Particulars	(₹ in lakh)	
	Year Ended 31.3.2012	Year Ended 31.3.2011
Prior Period Income	64.72	14.65
Prior Period Expenses	129.72	31.53
Net Prior Period Income/(Expenditure)	(65.00)	(16.88)

Notes:-

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

Particulars	(₹ in lakh)	
	Current Year	Previous Year
Income:		
1. Beer, Wine and Spirit Sales	-	-
2. Income from Services Rendered:		
Room Rent/ Licence Fee	12.72	16.34
Consultancy	33.39	8.50
3. Others:		
Employees' Remuneration and Benefits	-	0.41
Cost of Sales	10.48	(8.60)
Interest	-	(0.19)
Miscellaneous Income	7.81	0.36
Income from Hired Vehicles	-	0.96
Electricity & Water Charges	0.32	(3.13)
Total	64.72	14.65
Expenditure:		
1. Cost of Consumption of Raw Material, Other Materials Sold and Services	8.50	(1.24)
2. Employees' Remuneration and Benefits	14.46	5.85
3. Travelling and Conveyance	1.11	0.18
4. Rent, Rates, Taxes and Insurance	43.99	0.33
5. Repairs and Maintenance	24.93	14.52
6. Audit Fees	-	0.03
7. Legal and Professional Charges	1.51	0.92
8. Printing, Stationery and Periodicals	0.28	0.17
9. Communication Expenses	0.02	0.05
10. Power and Fuel	4.35	0.63
11. Advertisement, publicity and sales promotion	-	0.07

(₹ in lakh)

Particulars	(₹ in lakh)	
	Year Ended 31.3.2012	Year Ended 31.3.2011
12. Sundry Expenses	20.57	3.14
13. Upkeep and Service Cost and Other Operating Expenses	2.89	4.53
14. Depreciation	6.08	1.14
15. Newspaper, books & magazines	0.03	-
16. Payment to hired vehicles	-	0.88
17. Membership & Subscription	-	0.11
18. Hire charges	0.34	-
19. Insurance	-	0.22
20. Commission charges	0.66	-
Total	129.72	31.53

Earning Per Share

Note - 30

Particulars	(₹ in lakh)	
	Year Ended 31.3.2012	Year Ended 31.3.2011
<i>The calculation of Earning per share as per Accounting Standard - 20 is as under:-</i>		
BASIC & DILUTED		
Net (Loss)/ Profit available for Equity Shareholders (₹ in lakh)	853.91	(858.63)
Weighted Average number of Equity Share of ₹ 10/- each	8,57,69,400	8,57,69,400
Basic earnings per share (₹)	1.00	(1.00)

Contingent Liabilities Note - 31

(₹ in lakh)

Particulars	Current Year	Previous Year
A. Claims against the Corporation not acknowledged as debts		
(i) Claims against the Corporation not acknowledged as debts [includes demands from custom authority ₹ 18,524.81 lakh (Previous Year ₹ 21,875.10 lakh) and are subjudice].	43,007.57	28,509.42
(ii) Guarantees executed in favour of various authorities, banks and financial institution [including guarantees provided against loans obtained by subsidiary companies.	294.36	90.00
(iii) Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 25.72 lakh (Previous Year ₹ 25.72 lakh)]	380.26	458.27
(iv) Sales Tax matters in appeal [includes ₹ 1,551.87 lakh (Previous Year ₹ 2,465.62 lakh) in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal / High Court].	3,735.38	11,857.08
(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. Commitments		
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).	211.89	472.95

Note No. (1): Contingent Liabilities at Sl. No. (A) (i), (A)(iii) & (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.

- 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. Pending determination by the Local Commissioner of the amount payable, no provision has been made in the accounts.
- D. A case was filed by Ms. S L Beer, an Australian resident, in 1982 in Hon'ble Delhi High Court. She had sustained injury at the erstwhile Akbar Hotel Swimming Pool on 05.05.1978. She filed the case against the Corporation claiming ₹ 2.00 crore by way of damages plus interest @ 18%. The Single Bench of the Hon'ble Delhi High Court passed an order dated 03.03.2011 in favour of the plaintiff awarding ₹ 1.82 crore along with simple interest @6% w.e.f.22.01.1982 till the date of the decree and further simple

interest on the said amount @ 10% p.a. till its realisation. Aggrieved from the above judgement, ITDC has filed an appeal before the Divisional Bench of Hon'ble Delhi High Court. The Hon'ble Court vide order dated 19.07.2011, while staying the above judgement and execution proceedings, has directed ITDC to deposit an amount of ₹ 508.61 lakh, the decretal amount with the Registrar General of the Delhi High Court. Accordingly, ITDC has deposited the said amount during the F.Y. 2010-11, 2011-12 with the court. Therefore pending finalisation in the matter, no provision has been made in the Accounts for F.Y. 2011-12 and the amount of ₹ 508.61 lakh has been included as Contingent Liability at A(i) above and also the additional contingent liability of ₹ 1,500 lakh was also made due to counter additional claim was filed by advocate of Ms. S L Beer.

- E. 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 licence 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).

- F. The Employees' State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totalling ₹ 703.60 lakh (Previous year ₹ 682.43 lakh) towards ESI dues in respect of four hotel/catering units against which the corporation holds a deposit of ₹ 326.16 lakh (Previous year ₹ 319.32 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts - ₹ 310.08 lakh and amount deposited ₹ 16.08 lakh). Against this, the Corporation holds a liability of ₹ 193.41 lakh (previous year ₹ 194.42 lakh) towards ESI dues. No provision has been made for the balance of ₹ 510.19 lakh (Previous year ₹ 488.01 lakh) as the matter is subjudice and pending finality in the matter, the same has been included under Contingent Liabilities at Sl. No. (A)(i) above.

General Notes

Note - 32

concerns to the Corporation, not dealt with in the accounts is as under:-

- 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 account of National Buildings Construction Corporation (NBCC) for work done at project in Iraq could not be reconciled due to non-receipt of detailed statement of account/confirmations from the party.
- The current liabilities, current assets and revenue items of project at Iraq in US Dollar have been converted on the basis of prevailing rate of exchange as on 31.3.2012. The net loss of ₹ 4.01 lakh (previous year net gain of ₹ 0.58 lakh) has been debited to Statement of Profit & Loss A/c. Further in case of M/s NBCC, the liability has been shifted in INR in view of issue of bonds by EXIM Bank to NBCC in INR against amount payable in US Dollar. The balance in Iraqi Dinar, however, continues to appear in the books as recorded as on 31.03.1991 in view of non-availability of exchange rate.
- The net accumulated amount of losses - ₹ 2,454.70 lakh (Previous year ₹ 2,364.08 lakh) of subsidiary companies so far as it

(₹ 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.#	2011-12	51	320.75
Donyi Polo Ashok Hotel Corporation Ltd.#	2011-12	51	(54.82)
Madhya Pradesh Ashok Hotel Corporation Ltd.#	2011-12	51	116.48
Pondicherry Ashok Hotel Corporation Ltd.#	2011-12	51	(9.25)
Punjab Ashok Hotel Company Ltd.#	2011-12	51	6.83
Ranchi Ashok Bihar Hotel Corporation Ltd.#	2011-12	51	157.76
Utkal Ashok Hotel Corporation Ltd.#@	2011-12	98	1,916.95
Total Net Losses			2,454.70
Previous Year Net Losses			2,364.08

*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.
- Company entered into an Agreement dated 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 stayed by the Hon'ble High Court. Another arbitration petition had been filed by M/s Maruti Udyog Ltd. before Hon'ble High Court for appointment of Arbitrator. Hon'ble High Court vide its order dated 29.9.2011 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 Hon'ble High Court. Pending legal proceedings in the matter, the premises has not yet been vacated by M/S Maruti Udyog Ltd.

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

(₹ in lakh)

a) Aggregate amount of Revenue recognised up to the reporting date	12,513.58
b) Aggregate cost incurred up to reporting date	11,286.54
c) Revenue recognised during the current financial year	732.17
d) Cost incurred during the financial year	644.36
e) Total amount of funds received up to the reporting date	16,578.65
f) Advance due to customers up to reporting Date	4,202.17
g) Advance due from Customers up to reporting Date	450.02

9. Disclosure pursuant to Accounting Standard-17 on Segment Reporting is given in Annexure A to this note.

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

Key Management Personnels: -

- Shri Shankersinh Vaghela
Part time Chairman cum Non-official (Independent) Director
w.e.f. 13.06.2012
- Dr. Lalit K Panwar, C&MD
w.e.f. 21.04.2010 to 13.06.2012
Dr. Lalit K Panwar, VC&MD
w.e.f. 13.06.2012
- Shri P.K. Agarwal, Director (Finance)
w.e.f. 29.07.2010.
- Shri Ratan Kumar Okhandiar,
Director (C&M)
w.e.f. 10.07.2012

Payment made to key management personnels and their relatives.

Particular	(Amount in ₹)	
	Current Year	Previous Year
Remuneration	36,60,435.00	54,92,490.00

11. 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 accomodation 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.

12. 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, 2012, 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.

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

Name of Provision	Balance as on 1.4.2011	Provided during the year relating to 2011-12	Provided during the year relating to 2010-11	Payments/ Adjustments during the year	Provision reversed/ written back	(₹ in lakh)
						Closing Balance as on 31.3.2012
Income Tax	0.00	600.00	0.00	0.00	0.00	600.00
Wealth Tax	0.61	0.59	0.00	0.61	0.00	0.59

14. 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:-

Particulars	(₹ in lakh)	
	Current Year	Previous Year
i) Beer, Wine and Spirits	257.93	576.30
ii) Cigars and cigarettes	0.00	81.65
iii) Other items	-	-
Total	257.93	657.95

b) Expenditure in Foreign Currency :-

Particulars	(₹ in lakh)	
	Current Year	Previous Year
i) Travelling	12.05	10.99
ii) Fees & Subscription	3.40	0.00
	15.45	10.99

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

Particulars	(₹ in lakh)	
	Current Year	Previous Year
i) Boarding, Lodging and Other Facilities	1,146.93	616.91
ii) Sale of goods at Duty Free Shops	868.41	768.32
iii) Gain in Foreign Exchange (net)	23.04	27.04
	2,038.38	1,412.27

(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 lakh (Previous Year ₹ NIL lakh).

(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.

15. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year 31st March, 2012 are prepared as per Revised Schedule VI. Previous years' figures have been reclassified/regrouped to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

Annexure "A" to Note No. 32 {Note No. 9}
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	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
PRIMARY DISCLOSURE (Operation-wise)														
1. Segment Revenue														
a) Total Revenue	25,791.91	25,465.47	918.15	837.06	10,330.83	7,898.25	2,355.00	1,318.50	1,077.80	2,231.83	2,421.79	2,029.43	42,895.48	39,780.54
b) Less Inter Segment Revenue	22.24	24.88	-	-	89.50	184.67	477.74	335.24	-	-	-	-	589.48	544.79
c) External Revenue	25,769.67	25,440.59	918.15	837.06	10,241.33	7,713.58	1,877.26	983.26	1,077.80	2,231.83	2,421.79	2,029.43	42,306.00	39,235.75
2. Segment Results														
Profit/(Loss) before Interest, Tax and Overheads	3,808.38	961.67	(159.92)	(149.01)	84.87	(44.90)	(17.79)	(82.25)	(886.24)	(291.27)	2,423.77	2,029.43	5,253.07	2,423.67
Less:- Allocable Corporate Overheads											3,048.86	3,596.89	3,048.86	3,596.89
Less: Interest	-	-	-	-	-	-	-	-	-	-	1.99	-	1.99	-
Less: Provision for Income Tax											600.00	-	600.00	-
Less: Provision for Wealth Tax											0.58	0.61	0.58	0.61
Less: Provision for Deferred Tax											747.73	(312.58)	747.73	(312.58)
Add: Provision for Income Tax for earlier year written back											-	2.62	-	2.62
Profit/(Loss) available for appropriation	3,808.38	961.67	(159.92)	(149.01)	84.87	(44.90)	(17.79)	(82.25)	(886.24)	(291.27)	(1,975.39)	(1,252.87)	853.91	(858.63)
3. Segment Assets (Current assets plus fixed assets & WIP and Investments)	16,590.20	16,489.48	714.83	686.68	2,739.83	2,385.55	1,183.97	1,029.68	1,161.33	3,008.59	33,737.25	31,463.23	56,127.41	55,063.21
4. Segment Liabilities	14,619.71	15,961.63	763.58	820.01	2,418.72	2,170.32	1,071.90	1,110.59	9,987.90	10,861.25	(1,049.85)	(3,073.43)	27,811.96	27,850.37
5. Depreciation & amortisation in respect of Segment Assets for the period	505.11	514.96	1.58	1.47	14.05	14.81	3.41	3.68	1.30	1.12	27.41	24.20	552.86	560.24
6. Cost incurred during the period to acquire Segment Assets (Tangible & intangible fixed assets)	370.51	1,424.36	3.44	41.96	9.44	1.54	11.33	8.48	1.12	2.64	18.43	23.06	414.27	1,502.04
7. Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment	1,121.16	1,620.76	18.12	12.90	105.89	111.48	246.33	141.15	250.44	88.85	198.93	254.96	1,940.87	2,230.10

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

Cash Flow Statement for the Year ended 31st March, 2012

(₹ in lakh)

Particulars		Year Ended 31.3.2012		Year Ended 31.3.2012
A Cash Flow from Operations				
Profit before Taxation		2,202.20		(1,173.22)
Adjustments for:				
Depreciation	552.86		560.24	
Diminution in value of Fixed Assets/Investments	(1.19)		1.11	
Deferred Government Grant	(0.60)		(0.84)	
Finance Charges	1.99		-	
Provision for Inventory Write-down	3.87		0.54	
Provision for Doubtful Debts & Advances	581.14		705.42	
Interest Income	(2,292.82)		(1,884.64)	
Bad Debts/Advances Written Off	1.53		977.81	
(Profit)/Loss on Sale of Fixed Assets	5.01	(1,148.21)	(3.35)	356.29
Operating Profit before Working Capital Changes		1,053.99		(816.93)
(Increase)/Decrease in Current Assets				
Inventories	23.01		(50.13)	
Trade Receivables	(2,566.63)		(2,714.87)	
Other Current Assets	(809.91)		(159.70)	
Other Non-current Assets	(38.83)		-	
Long-term Loans and Advances	4.18		16.83	
Short-term Loans and Advances	(1,460.02)	(4,848.20)	220.76	(2,687.11)
Increase/(Decrease) in Current Liabilities				
Trade Payables	(380.95)		-	
Other Current Liabilities	(1,923.78)		(1,788.96)	

(₹ in lakh)

Particulars		Year Ended 31.3.2012		Year Ended 31.3.2012
Other Long Term Liabilities	(96.87)		60.92	
Long Term Provision	975.72		166.20	
Short Term Provision	289.08	(1,136.80)	-	(1,561.84)
Cash Inflow/(Outflow) from Operations		(4,931.01)		(5,065.88)
Direct Taxes Paid				
Income Tax Paid	-		720.00	
Income Tax for Earlier years Written Back	-	-	(2.62)	717.38
Net Cash Inflow/(Outflow) from Operation (A)		(4,931.01)		(5,783.26)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets		(414.27)		(1,502.04)
Sale of Fixed Asset and Adjustments		12.62		36.78
Income from Interest/Dividends		2,292.82		1,884.64
Reduction/(Addition) of Work-in-Progress		1,878.37		2,267.89
(Increase)/Decrease in Investments		0.04		0.04
Net Cash Inflow/(Outflow) from Investing Activities (B)		3,769.58		2,687.31
C Cash Flow from Financing Activities				
Increase in Share Capital		-		-
Increase/(Decrease) in Borrowings		-		-
Finance Charges Paid		(1.99)		-
Wealth Tax Paid		(0.61)		(0.66)
Dividend Paid		-		-
Dividend Tax Paid		-		-

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2012
Net Cash Inflow/(Outflow) from Financing Activities (C)	(2.60)	(0.66)
Net Change in Cash or Cash Equivalents during the Year	(1,164.03)	(3,096.61)
Cash and Cash Equivalents at the beginning of the year*	26,983.59	30,080.20
Cash and Cash Equivalents at the end of the year*	25,819.56	26,983.59

* For details refer Note-18

(V.K. Jain)
Company Secretary

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

(P.K. Agarwal)
Director (Finance)

(Dr. Lalit K. Panwar)
Vice Chairman & Managing
Director

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

Date : 31st August, 2012
Place : New Delhi

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

Consolidated Accounts for the Year 2011-12

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

- 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, 2012 and the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company and have been prepared by the management on the basis of separate financial statements and other financial information regarding the said components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- We conducted our audit in accordance with the 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 misstatements. An Audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We did not audit the financial statements of the following Subsidiaries and Joint

Ventures of the Company, whose financial statements reflect Total Assets of ₹ 25,57,40,758.40 as at 31st March, 2012, Total Revenue of ₹ 19,30,80,805.94 and Net Cash Flows amounting to ₹ (39,40,067.33) for the year ended 31st March, 2012. 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 unaudited financial statement of two Joint Venture Companies viz. ITDC Aldeasa India Private Limited and ITDC Showtime Consortium (Partnership Firm) has been incorporated in the accounts. 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
Subsidiary Companies			
Madhya Pradesh Ashok Hotel Corporation Ltd.	7,12,86,747.10	6,38,79,646.89	71,71,860.75
Utkal Ashok Hotel Corporation Ltd.	2,59,42,923.25	5,574.00	5,44,883.00
Assam Ashok Hotel Corporation Ltd.	4,38,35,165.81	6,67,72,864.05	(45,75,750.46)
Donyi Polo Ashok Hotel Corporation Ltd.	2,83,30,181.78	2,10,13,127.00	(18,94,315.56)
Ranchi Ashok Bihar Hotel Corporation Ltd.	2,18,78,805.87	2,28,27,796.00	(9,95,520.06)

Pondicherry Ashok Hotel Corporation Ltd.	2,81,31,115.00	1,85,81,798.00	(42,57,866.00)
Punjab Ashok Hotel Company Ltd.	2,74,36,552.39	-	(250.00)
Joint Ventures			
ITDC Aldeasa India Private Ltd.	85,74,228.20	-	66,956.00
ITDC Showtime Consortium (Partnership Firm)	3,25,039.00	-	(65.00)
Total	25,57,40,758.40	19,30,80,805.94	(39,40,067.33)

- 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.
- Further to the above, our comments are as under:
 - There are demands of ₹ 510.19 lakh (Previous Year ₹ 488.01 lakh) from ESI authorities in respect of ESI dues, which are being disputed by the Corporation and not provided for (Refer Point No. 1(F) of Note No. 31).
 - Lease Rent / registration fee / ground rent / depreciation due to non-finalization of terms of purchase / lease / title deeds of land and buildings have not been provided for. [Refer Note No. 11]
 - Pending reconciliation / receipt of detailed statement of accounts from NBCC, provision has not been made for interest payable to / recoverable from and amount due from NBCC pertaining to Iraq Project. Effect on the accounts on due receipt / adjustment / accounting thereof cannot be indicated at this stage. [Refer Point Nos. b & c of Note No. 31]

iv) Balance in Trade Receivables, Loans and Advances, Deposits and Sundry Creditors accounts are subject to independent confirmation and reconciliation most of the cases. [Refer Point No. a of Note No. 32]

- Without qualifying our opinion, we further report that:
 - Provision for Property Tax of ₹ 240.83 lakh is standing in the books of The Ashok Hotel as on 31.03.2012 out of this ₹ 62.01 lakh is seems to be excess provision made, which is unexplained;
 - The Ashok Hotel is showing an Amount of ₹ 17,05,250/- in the Loans & Advances- Doubtful (others). However, there are no details related to this amount present with the unit. Unit should write off these amount as there is no details available for these assets;
 - 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 for 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.
- Further to our comments in the Annexure referred to in paragraph 6 and subject to our comments in paragraph 5 above, we report that:
 - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit except month wise movement of stock of DFS-Goa. In the absence of which we could not reconcile

stock reported as on 31st March, 2012 with book records and its value.

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

c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 except to the extent referred to hereunder:-

- Lease charges in respect of land of Hotel Samrat not having been amortized. [Note No. 11] - Accounting Standard - 6 - Depreciation Accounting.

- Conversion of balance with foreign bank in Iraqi Dinar at the rate prevailing as on 31st March, 1991 instead of applying year end rates. [Refer Note No. 18] Accounting Standard-11- Accounting for Effect of Changes in Foreign Exchange Rates.

- Non-disclosure of complete details pertaining to transactions entered in to during the year with related parties-Accounting Standard-18-Related Party Disclosure.

- Non-disclosure of details required in respect of operating leases entered in to by the Corporation [Note No. h of General Note No. 32] Accounting Standard-19 - Leases.

From the available information, we are unable to quantify the impact on the financial statements due to non-compliance of The Accounting Standards referred to above.

e) The provisions of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956, are not applicable to the Corporation in terms of Notification No. G.S.R. 829(E) dated 21st October, 2003 issued by Government of India, Department of Company Affairs;

f) Subject to our comments in paragraphs 5 and 7(d) above, we report that on the basis of the information and according to the explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the ITDC Ltd. Group to the extent received as stated above, we are of the opinion that the said Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

i. in case of Consolidated Balance Sheet of the state of affairs of the India Tourism Development Corporation Limited Group as at 31st March, 2012;

ii. in case of Consolidated Statement of Profit & Loss, of the profit for the year ended on that date; and

iii. in case of Consolidated Cash Flow Statement of the Cash Flows for the year ended on that date.

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

Place: New Delhi
Date: 31st August, 2012

Vivek Kumar
(Partner)
M. No. 503826

Balance Sheet as at 31st March, 2012

(₹ in lakh)

Particulars	Note	As at 31.3.2012	As at 31.3.2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	2	8,576.94	8,576.94
Reserves and Surplus	3	19,989.97	19,648.38
Deferred Government Grants		14.30	15.44
		267.98	280.89
2. Minority Interest			
3. Non-Current Liabilities			
Long-Term Borrowings	4	490.42	473.17
Other Long-Term Liabilities	6	450.87	547.74
Long-Term Provisions	7	4,664.09	3,607.55
		5,605.38	
4. Current Liabilities			
Short-Term Borrowings	8	-	-
Trade Payables	9	6,163.68	6,523.38
Other Current Liabilities	10	15,865.28	17,954.62
Short-Term Provisions	7	2,556.25	1,149.61
		24,585.21	
TOTAL		59,039.78	58,777.72
II. ASSETS			
1. Non-current Assets			
Fixed Assets			
Tangible Assets in Active Use	11	7,073.80	7,176.84
Tangible Assets Not in Active Use	11A	9.63	11.08
Intangible Assets	12	28.48	25.95
Capital Work-in-Progress	12A	592.32	2,468.72
Non-Current Investments	13	-	-
Deferred Tax Assets (Net)	5	2,537.79	3,277.83
Long-Term Loans and Advances	14	330.44	334.62
Other Non-Current Assets	15	73.39	33.42
		10,645.85	
2. Current Assets			
Inventories	16	1,171.65	1,195.30
Trade Receivables	17	11,342.63	9,376.30
Cash and Cash Equivalents	18	26,381.54	27,588.25
Short-Term Loans and Advances	14A	7,593.15	6,215.67
Other Current Assets	19	1,904.96	1,073.74
		48,393.93	
TOTAL		59,039.78	58,777.72
Significant Accounting Policies 1			

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) (P.K. Agarwal) Director (Finance) (Dr. Lalit K. Panwar) Vice Chairman & Managing Director

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

Date : 31st August, 2012
Place : New Delhi

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

Statement of Profit & Loss for the Year Ended 31st March, 2012

		(₹ in lakh)	
Particulars	Note	Year Ended 31.3.2012	Year Ended 31.3.2011
REVENUE			
I. Revenue from Operations	20		
Sales of products		9,673.75	9,234.27
Sales of services		31,697.85	29,471.63
Other operating revenues		241.54	111.08
		41,613.14	
II. Other Income	21	2,578.77	2,235.26
III. TOTAL REVENUE (I+II)		44,191.91	41,052.24
EXPENSES			
Cost of materials consumed & services rendered	22	4,330.31	4,246.32
Purchase of stock-in-trade	23	1,527.96	1,327.08
Changes in inventories of finished goods and stock-in-trade	24	(24.47)	60.64
Employees' Remuneration & Benefits	25	14,845.68	15,160.12
Finance Costs	26	22.44	20.35
Depreciation and amortization expense	11&12	609.65	608.60
Less: Attributed to the Projects		(0.27)	(0.27)
		609.38	
Operating Expenses & Other Expenses	27	20,931.39	20,798.97
IV. TOTAL EXPENSES		42,242.69	42,221.81
V. Profit/(Loss) Before Exceptional, Extraordinary Items and Prior Period Adjustments (III-IV)		1,949.22	(1,169.57)
VI. Exceptional Items	28	(330.84)	(67.62)
VII. Profit/(Loss) Before Extraordinary Items and Prior Period Adjustments (V-VI)		2,280.06	(1,101.95)
Prior Period Adjustments	29		15.13
Prior Period Income		67.12	15.13
Prior Period Expenses/Adjustments		138.39	41.13
		(71.27)	
VIII. Profit/(Loss) Before Extraordinary Items		2,208.79	(1,127.95)
IX. Extraordinary Items		-	-
X. Profit/(Loss) Before Tax(PBT) (VIII-IX)		2,208.79	(1,127.95)
XI. Tax Expense of continuing operations:			
Current Tax (Income Tax)		(649.56)	(51.79)
Tax written Back (Previous Year)		8.50	(0.41)
Current Tax (Wealth Tax)		(0.58)	(0.61)
MAT credit Entitlement		-	-
Deferred Tax	5	(740.04)	296.31
		(1,381.68)	
XII. Profit/(loss) for the period from continuing operations (X-XI)		827.11	(884.45)
XIII. Profit/(loss) from discontinuing operations		-	-
XIV. Tax expense of discontinuing operations		-	-
XV. Profit/ (loss) from discounting operations (after Tax) (XIII-XIV)		-	-
XVI. Profit/ (loss) for the period [Profit After Tax (PAT)] (XII+XV)		827.11	(884.45)
Less: Profit/(Loss) attributable to Minority Interest		(12.90)	11.77
AMOUNT AVAILABLE FOR APPROPRIATION		840.01	(896.22)
XVII. Earnings per equity share in ₹	30	0.98	(1.04)
(1) Basic			
(2) Diluted			

(V.K. Jain) Company Secretary
 (P.K. Aggrawal) Vice President (F&A)
 (P.K. Agarwal) Director (Finance)
 (Dr. Lalit K. Panwar) Vice Chairman & 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 : 31st August, 2012
 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 two 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. (including Preference Shares)	98

Name of the Joint Venture	Share % of Profit/Losses
ITDC Aldeasa India Private Ltd.*	50
ITDC Showtime Consortium (Partnership Firm)*	50

* Accounts of both the Joint Ventures are unaudited.
All the above Companies are incorporated in India.

1.3 The consolidated financial statements include the interest of the Company in two Joint Venture entities, namely, ITDC Aldeasa India Private Limited & ITDC Showtime Consortium, whereby the Company's share in each asset, liability, income and expense is as under:

	(Amount in ₹)	
	Current Year	Previous Year
Fixed Assets	NIL	NIL
Current Assets	46,15,968/-	46,49,461/-
Current Liabilities	2,89,35,315/-	2,88,48,658/-
Provisions- Income Tax	NIL	NIL
Accumulated Losses	2,46,82,691/-	2,45,51,775/-
Income	NIL	NIL
Expenses- Operating & others	70,748/-	19,177/-
Prior Period Expenses	50,000/-	NIL
Loss before Tax	120,149/-	19,177/-
Net loss after Tax	1,20,149/-	19,177/-

A. 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		**Straight line method percentage rates as per Schedule XIV of Companies Act		***Revised Straight line method percentage rates as per Schedule XIV of Companies Act	
		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 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, cost of completion (including cost of rejection), expected revenues etc.

- ii) Income from services rendered in respect of projects /licence 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

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Authorised Share Capital		
15,00,00,000 Equity Shares of ₹ 10/- each (Previous year 15,00,00,000 Equity Shares of ₹ 10/- each)	15,000.00	15,000.00
	15,000.00	15,000.00
Issued & Subscribed Share Capital		
8,57,69,400 Equity Shares of ₹ 10/- each (Previous year 8,57,69,400 Equity shares of ₹ 10/- each)	8,576.94	8,576.94
	8,576.94	8,576.94
Paid-up Share Capital		
8,57,69,400 Equity Shares of ₹ 10/- each (Previous year 8,57,69,400 Equity Shares of ₹ 10/- each)	8,576.94	8,576.94
	8,576.94	8,576.94
TOTAL	8,576.94	8,576.94

15,238 Equity Shares of ₹ 100 each (since converted in to 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 31.3.2012	As at 31.3.2011
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

contd.....

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

Particulars	As at 31.3.2012	As at 31.3.2011
	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 31.3.2012		As at 31.3.2011	
	Number of Shares held	Percentage of Shares held	Number of Shares held	Percentage of Shares held
i) President of India	7,90,00,500	92.108	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 31.3.2012	As at 31.3.2011
Capital Reserve	62.98	62.98
Securities Premium Reserve		
As per Last Balance Sheet	5,475.00	5,475.00
Addition During The Year	-	-
	<u>5,475.00</u>	
General Reserve		
As per Last Balance Sheet	14,110.40	15,006.62
Add/(Less): Current year Adjustments	350.00	(896.22)
Closing Balance	<u>14,460.40</u>	<u>14,110.40</u>
Surplus in the Statement of Profit & Loss		
As per Last Balance Sheet	-	-
Transfer From Profit & Loss Accounts	840.01	-
Surplus For The Year	<u>840.01</u>	-
Appropriations/Adjustments		
Proposed Dividend	428.85	-
Dividend Tax	69.57	-
Transfer to General Reserve	350.00	-
Closing Balance	<u>(8.41)</u>	-
GRAND TOTAL	<u>19,989.97</u>	<u>19,648.38</u>

Long-Term Borrowings

Note - 4

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) BONDS/DEBENTURES		
Secured	-	-
Unsecured	-	-
(B) TERM LOANS FROM BANKS	-	-
(C) TERM LOANS FROM OTHERS		
Secured Loan from Bihar Industries Credit & Investment Corpn Ltd.	-	-
Principal Amount	83.15	83.15
Interest accrued and due	112.90	112.90
(Secured against first mortgaged 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.)	196.05	
Secured Loan from Assam Industrial Development Corporation Ltd.		
Principal Amount	90.00	90.00
Interest accrued and due including penal interest	204.37	187.12
(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)	294.37	
Unsecured		
(D) LOANS AND ADVANCES FROM RELATED PARTIES		
Secured	-	-
Unsecured	-	-
(E) PUBLIC DEPOSITS (UNSECURED)	-	-
(F) LONG-TERM MATURITIES OF FINANCE LEASE OBLIGATIONS	-	-
TOTAL	490.42	473.17

Deferred Tax Assets (Net)

Note - 5

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
DEFERRED TAX LIABILITIES	57.34	58.33
DEFERRED TAX ASSETS	2,595.13	3,336.16
DEFERRED TAX ASSETS (Net)	2,537.79	3,277.83
Accounting for Taxes on Income - Accounting Standard - 22 - Deferred Tax:		
The major components of Deferred Tax Asset (net) as on 31.3.2012 are given below:-		
DEFERRED TAX LIABILITIES		
1 Depreciation	685.11	634.17
DEFERRED TAX ASSETS		
1 Carried forward business loss	244.65	932.66
2 Provision for Gratuity	783.88	443.88
3 Provision for Doubtful Debts & Advances & Inventory write down	1,055.83	934.22
4 Provision for Leave Encashment	38.05	-
5 Municipal Taxes	0.46	-
6 Disallowances under Income Tax Act, 1961	1,100.03	1,601.24
DEFERRED TAX ASSET (NET)	2,537.79	3,277.83

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 31.3.2012 has been recognised in the financial statements.

Other Long-Term Liabilities

Note - 6

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Security Deposit & Retention Money	450.87	547.74
Total	450.87	547.74

Provisions

Note - 7

(₹ in lakh)

Particulars	As at 31.3.2012			As at 31.3.2011		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Employee Benefits						
Gratuity	6,381.72	1,075.91	7,457.63	6,054.13	997.66	7,051.80
Less:- Fund size of Investment as per Gratuity Policy	(4,894.01)	(145.25)	(5,039.26)	(5,452.32)	(194.07)	(5,646.39)
Leave Encashment	3,181.73	426.23	3,607.96	3,040.36	276.40	3,316.76
Less:- Fund size of Investment with LIC	(37.35)	(1.42)	(38.77)	(34.62)	(1.22)	(35.85)
Sick Leave	32.00	12.04	44.04	-	-	-
	4,664.09	1,367.51	6,031.60	3,607.55	1,078.77	4,686.32
Income Tax						
Provision for Income Tax	-	689.74	689.74	-	70.23	70.23
	-	689.74	689.74	-	70.23	70.23
Wealth Tax						
Provision for Wealth Tax	-	0.58	0.58	-	0.61	0.61
	-	0.58	0.58	-	0.61	0.61
Proposed Dividend						
Proposed Dividend	-	428.85	428.85	-	-	-
Dividend Tax	-	69.57	69.57	-	-	-
	-	498.42	498.42	-	-	-
TOTAL	4,664.09	2,556.25	7,220.34	3,607.55	1,149.61	4,757.16

Short-Term Borrowings

Note - 8

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) LOANS REPAYABLE ON DEMAND		
Secured	-	-
Unsecured	-	-
(B) LOANS AND ADVANCES FROM RELATED PARTIES		
Secured	-	-
Unsecured	-	-
(C) PUBLIC DEPOSITS (UNSECURED)		
	-	-
Total	-	-

Trade Payable

Note - 9

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Current		
Trade Payables	6,163.68	6,523.38
TOTAL	6,163.68	6,523.38

Other Current Liabilities

Note - 10

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Due To ITDC Limited		
- Project Division	-	-
- ITDC LTD (HQ)	-	-
BSTDC/PTDC	22.92	5.64
Interest accrued but not due on borrowings	5.87	5.87
Interest accrued and due on borrowings	-	-
Sundry Creditors (Other Than Trade Payable)	3,589.99	5,853.30
Security Deposits & Retention Money	2,934.97	2,793.61
Advances From Customers	6,545.44	7,190.76
Other Liabilities	2,766.09	2,105.44
TOTAL	15,865.28	17,954.62

Sundry creditors include unlinked receipts from customers etc. of ₹ 75.36 lakh (P.Y ₹ 83.35 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 and is pending renewal. Pending finalisation of terms and conditions and execution of new lease deed, the Corporation has paid the rent @ 100/- per sq.foot up to 31.03.2012. The Corporation has further provided the additional liability on account of escalation of rent @ 35% on completion of 5 years w.e.f 26.07.2010 and statutory liability of Service Tax w.e.f 1/6/2007 as per decision and as demanded by LIC. The Corporation has also provided liability on account of increase in water charge w.e.f 1/1/2011. However, the Corporation has not acknowledged the demand of interest raised 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			For the year	Depreciation	Impairment		Net Carrying Amount							
		Up To 31.03.2011	Addition during the year	Add/Less: Sales, Transfer, Write Offs and Adjustments during the year			Up To 31.03.2012	Up To 31.03.2011	Less: Sales, Transfer, Write Offs and Adjustments during the year	Up To 31.03.2012	As at 31.03.2011	Reversed during the year	Provided during the year	Up To 31.03.2012	As at 31.03.2012	As at 31.03.2011
1.	Land															
	Owned (FreeHold)	26.25	-	-	26.25	2.24	-	-	-	-	-	-	-	-	24.01	24.01
	Leased	335.00	-	-	335.00	33.51	-	-	-	-	-	-	-	-	300.44	301.49
2.	Buildings-Owned	3,506.48	38.46	(4.21)	**3,540.73	1,620.14	(0.23)	-	-	-	-	-	-	-	1,857.20	1,886.34
3.	Plant & Equipment-Owned	7,130.57	200.93	(26.54)	7,304.96	4,069.06	(17.47)	-	-	-	-	-	-	-	2,953.13	3,061.51
4.	Furniture & Fixtures-Owned	2,956.29	142.44	(10.64)	3,088.09	1,925.59	(4.53)	-	-	-	-	-	-	-	1,031.60	1,030.70
5.	Vehicles-Owned	198.32	7.85	(7.16)	199.01	117.56	(6.80)	-	-	-	-	-	-	-	73.22	80.76
6.	Office Equipment-Owned	1,625.51	125.95	(8.49)	1,742.97	833.48	(6.46)	-	-	-	-	-	-	-	834.20	792.03
	Total	15,778.42	515.63	(57.04)	16,237.01	8,601.58	(35.49)	9,163.21	-	-	-	-	-	-	7,073.80	7,176.84
	Previous Year's total	14,596.57	1,552.37	(370.52)	15,778.42	8,334.09	(332.44)	8,601.58	-	-	-	-	-	-	7,176.84	-

* This represents amortization of lease hold land except in case of Hotel Samrat, New Delhi.

** 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.
- Premium paid on Leasehold Land at Hotel Samrat, New Delhi have not been amortised in the absence of any tenure in terms of allotment.
- 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 ₹ 1,842.75 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 4,841.59 lakh). Adjustments, if any, to cost is proposed to be carried out upon final settlement of the bills.

Fixed Assets not in Active use

Note - 11-A

(₹ in lakh)

Particulars	Gross Block				Depreciation				Net Block			Balance Provided For
	Up to 31.3.2011	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2012	Up to 31.3.2011	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2012	Depreciated Value as on 31.3.2012	Net Realisable Value as on 31.3.2012		
A. Net Realisable Value is more than Depreciated Value												
Plant & Equipment Owned	85.13	3.01	1.92	86.22	79.47	2.86	1.72	80.61	5.61	5.61	-	-
Furniture & Fixtures Owned	21.38	-	0.09	21.29	20.30	-	0.07	20.23	1.06	1.06	-	-
Vehicles Owned	7.24	-	3.31	3.93	6.88	-	3.14	3.74	0.19	0.19	-	-
Office Equipment Owned	10.48	-	0.48	10.00	9.14	-	0.06	9.08	0.92	0.92	-	-
Total-A	124.23	3.01	5.80	121.44	115.79	2.86	4.99	113.66	7.78	7.78		
B. Net Realisable value is less than depreciated value:-												
Plant & Equipment Owned	29.22	-	-	29.22	19.79	-	-	19.79	9.43	1.68	7.75	7.75
Furniture & Fixtures Owned	5.78	-	-	5.78	5.01	-	-	5.01	0.77	0.14	0.63	0.63
Vehicles Owned	10.90	-	10.89	0.01	9.03	-	9.02	0.01	-	-	-	-
Office Equipment Owned	4.89	-	-	4.89	2.79	-	-	2.79	2.10	0.02	2.08	2.08
Total-B	50.79	-	10.89	39.90	36.62	-	9.02	27.60	12.31	1.84	10.46	10.46
Total (A+B)	175.02	3.01	16.69	161.34	152.41	2.86	14.01	141.26	20.09	9.63	10.46	10.46
Previous Year	161.67	36.72	17.22	181.17	144.77	29.43	16.36	157.85	23.32	11.08	12.25	12.25

Fixed Assets Intangible

Note - 12

(₹ in lakh)

Sl. No.	Description	Gross Carrying Amount					Accumulated Amortisation		Accumulated Impairment		Net carrying Amount				
		As at 31.03.2011	Additional adjustment during the year	Deduction during the year	As at 31.03.2012	As at 31.03.2011	Provided during the year	Deduction during the year	As at 31.03.2012	As at 31.03.2011	Reversed during the year	Provided during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
1.	Goodwill														
2.	Brands/Trade Marks														
3.	Computer Software														
-	Acquired	37.30	15.21	(0.12)	52.39	11.35	12.53	0.03	23.91	-	-	-	-	28.48	25.95
-	Internally Generated														
4.	Mastheads														
5.	Mining Rights														
6.	Copyrights														
-	Acquired														
-	Internally Generated														
7.	Patents														
-	Acquired														
-	Internally Generated														
	Total	37.30	15.21	(0.12)	52.39	11.35	12.53	0.03	23.91	-	-	-	-	28.48	25.95
	Previous Year's total	11.12	26.18	-	37.30	2.68	8.67	-	11.35	-	-	-	-	25.95	-

Capital Work-in-Progress

Note - 12A

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
I) Work-in-Progress (at cost) including Construction material lying at site and Fixed assets not put to use, Value of work done and materials supplied by the Contractors/suppliers	600.77	2,242.24
II) Expenses Attributable on Projects Pending Allocation	168.60	210.94
III) Capital Goods-in-Hand & in Transit	38.54	15.99
	807.91	2,469.17
Less:- Provision for Impairment	215.59	0.45
TOTAL	592.32	2,468.72

(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: -

(₹ in lakh)

Particulars	Current year	Previous year
Opening balance	210.94	139.91
Add:-		
Other Project Overheads	44.92	70.77
Depreciation/Amortisation of Lease	2.14	0.26
Less: Capitalised during the year	89.40	-
Closing Balance	168.60	210.94

Non-Current Investments

Note - 13

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
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*	-	-
TOTAL	-	-

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

Long-Term Loans and Advances

Note - 14

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Security Deposits		
Secured, considered good	0.89	0.44
Unsecured, considered good	168.58	173.21
Doubtful	25.76	25.08
Less: Allowance for bad and doubtful advances	(25.76)	(25.08)
Total (A)	169.47	173.65
(B) OTHERS		
Secured, considered good	-	-
Unsecured, considered good	160.97	160.97
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (E)	160.97	160.97
TOTAL [(A)+(B)]	330.44	334.62

Short Term Loans & Advances

Note - 14A

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Loans and Advances to Related Parties		
Secured, considered good	-	-
Unsecured, considered good	208.00	208.00
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (A)	208.00	208.00
(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		
Secured, considered good	-	-
Unsecured, considered good	8.88	11.14
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (B)	8.88	11.14
(C) Others (Specify)		
Secured, considered good	1.56	5.88
Unsecured, considered good	2,074.96	1,973.03
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (C)	2,076.52	1,978.91
(D) Advance Income Tax and Tax Deducted at Source	5,294.87	4,015.33
Total (D)	5,294.87	4,015.33
(E) Sales Tax paid in Advance	4.88	2.29
Total (E)	4.88	2.29
TOTAL [(A)+(B)+(C)+(D)+(E)]	7,593.15	6,215.67

1. Loans & Advances include the following:-

(₹ in lakh)

Particulars	Current Year	Previous Year
Advances due from Directors and officers of the Corporation	8.88	11.14
Maximum amount due from Directors and Officers of the Corporation during the year	15.40	15.92

- Amount recoverable includes ₹ 268.73 lakh (Previous year ₹ 268.73 lakh) from NDMC relating to transfer of fixed assets of erstwhile Akbar Hotel as agreed with them under package deal. The NDMC has agreed to adjust this amount against dues of Property Tax upon finalisation and determination of the said amount.
- 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.
- ₹ 208.00 lakh (Previous year ₹ 208.00 lakh) paid by the Corporation against bid for property of Ranchi Ashok Bihar Hotel Corporation Limited (Subsidiary Corporation) which was attempted to be taken over by the Financial Institutions due to non-repayment of loan & interest by the Subsidiary Corporation. Subsequently, co-promoter viz. Bihar State Tourism Development Corporation Ltd. (BSTDC) had also offered to purchase the said property against which ITDC has filed a case in the High Court and matter is subjudice.

Other Non-Current Assets

Note - 15

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Long-Term Trade Receivables Other Than Current (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	71.92	33.42
Doubtful	2,782.36	2,556.56
Less: Allowance for bad and doubtful advances	(2,782.36)	(2,556.56)
Total (A)	71.92	33.42
(B) Others		
Secured, considered good	-	-
Unsecured, considered good	1.47	-
Doubtful	405.79	398.33
Less: Allowance for bad and doubtful advances	(405.79)	(398.33)
Total (B)	1.47	-
TOTAL [(A)+(B)]	73.39	33.42

Inventories

Note - 16

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(As per inventories prepared, valued and certified by the Management at lower of the cost or net realisable value)		
Stores and Spares	272.70	277.72
Tools	0.67	0.48
Crockery, Cutlery, Glassware and Linen etc. (in hand and in use)	285.10	353.73
Other Stocks and Stores (Others)	653.67	645.15
Less: Provision for Inventory Write Down	40.49	81.78
Total	1,171.65	1,195.30

Trade Receivables

Note - 17

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
1. Current Trade Receivables		
(A) Trade receivables outstanding for more than six months from the date they became due for payment:		
(i) Secured, considered good	201.45	166.98
(ii) Unsecured, considered good	4,192.07	2,322.89
(iii) Doubtful	194.59	-
Less: Allowance for bad and doubtful debts	194.59	-
TOTAL (A)	4,393.52	2,489.87
(B) Trade Receivables (others)		
(i) Secured, considered good	314.86	377.49
(ii) Unsecured, considered good	6,634.25	6,508.94
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
TOTAL (B)	6,949.11	6,886.43
TOTAL {A+B}	11,342.63	9,376.30

Trade Receivable include the following:-

(₹ in lakh)

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

Cash and Cash Equivalents

Note - 18

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
(A) Cash on hand		
Cash on hand	25.27	24.78
(B) Balances with Banks		
In Current Account*	2,825.64	3,609.59
In Savings Account	-	-
Provision for Doubtful Recovery	(1.23)	(1.23)
(C) Cheques, Drafts in hand		
Cheques on hand	305.43	174.32
Drafts in hand	-	-
(D) Other Bank Balances		
Term deposits with Banks for less than 12 months	23,086.07	23,745.52
Term deposits with Banks For more than 12 months*	108.44	35.26
(E) Bank Balance held as margin money or as security against Borrowings		
Guarantees	-	-
Letter of Credit	31.91	-
Other commitments	-	-
(F) Others		
Gratuity Fund Trust (SBI)	0.01	0.01
TOTAL	26,381.54	27,588.25

* Balance in Rafidjan Bank Baghdad for I.D. 2147.703, which equals to ₹ 1,22,955.99 remains unconfirmed (since provided for).

** include FDRs of ₹ 31.91 lakh (Previous year ₹ 31.91 lakh) lodged as security

Other Current Assets

Note - 19

(₹ in lakh)

Particulars	As at 31.3.2012	As at 31.3.2011
Interest accrued but not due on Term Deposits	1,054.64	823.31
Others	850.32	250.43
Less: Allowance for bad and doubtful advances	-	-
TOTAL	1,904.96	1,073.74

Others include FDR of ₹ 1.58 lakh deposited with Rajasthan PF Authority.

Revenue from Operation

Note - 20

Particulars	(₹ in lakh)	
	Year Ended 31.3.2012	Year Ended 31.3.2011
Sales of Products (A)		
Food	6,113.30	5,712.57
Beer, Wine & Spirits	1,865.26	2,029.98
Cigars and Cigarettes	197.99	169.98
Soft Drinks	332.23	268.40
Petrol, oil & Lubricant	1,030.04	930.15
Tourist Literature and Other Publications	51.80	44.36
Miscellaneous Sales	83.13	78.83
TOTAL (A)	9,673.75	9,234.27
Sales of Services (B)		
Room Rent	13,155.97	13,702.99
Licence Fees	4,222.82	3,656.61
Banquet Hall/Lawn Rental	1,305.41	1,259.84
Traffic Earnings & package tours	1,351.48	1,277.50
Travel Services	7,798.11	5,375.65
Management/Consultancy/Event Management/Training Fees	1,976.75	1,484.63
Revenue from Execution of Project	732.17	1,579.79
Son-et-Lumiere & Cultural Shows	93.52	84.44
Commission Received	46.76	35.76
Electricity Charges	445.25	447.81
Telephone Services	7.40	12.36
Advertisement Income	156.51	126.99
Service Charges	405.70	427.26
TOTAL (B)	31,697.85	29,471.63
Other Operating Revenues (C)		
Miscellaneous Income	241.54	111.08
TOTAL (C)	241.54	111.08
TOTAL (A)+(B)+(C)	41,613.14	38,816.98

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 31.3.2012	Year Ended 31.3.2011
Other Income		
Interest (Gross) From-Banks/Financial Institutions	2,305.04	1,907.05
Loan to Employees	0.80	0.95
On Income Tax Refund	20.92	-
Others	0.33	0.33
Profit on Sale of Assets	0.96	5.38
Gain on Foreign Exchange Variation	28.33	27.29
Grant from Ministry of Tourism	1.14	1.16
Others	221.25	293.10
TOTAL	2,578.77	2,235.26

Notes:-

- Interest on Deferred Payments from M/s NBCC from 01.4.1994 onwards regarding Iraq project has not been accounted for in the absence of advice from NBCC.
- Out of the balance amount of ₹ 15.44 lakh (Previous Year ₹ 11.35 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 1.14 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 ₹ 14.30 lakh (Previous Year ₹ 15.44 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 31.3.2012	Year Ended 31.3.2011
(A) Cost of Consumption of Raw Materials, Other Materials Sold and Service Rendered		
i) Provisions, Beverages & Smokes		
Opening Stock	70.97	63.83
Add:- Purchases & Adjustments	2,155.56	2,059.07
Less:- Transfer & Adjustments	220.15	267.19
Closing Stock	77.56	70.97
TOTAL (i)	1,928.82	1,784.74
ii) Wine & Liquors		
Opening Stock	247.76	232.19
Add:- Purchases & Adjustments	415.26	372.94
Less:- Transfer & Adjustments	93.05	47.59
Closing Stock	227.65	247.76
TOTAL (ii)	342.32	309.78
iii) Other Material		
Opening Stock	1.89	1.89
Add:- Purchases & Adjustments	42.04	35.72
Less:- Transfer & Adjustments	1.89	-
Closing Stock	-	1.89
TOTAL (iii)	42.04	35.72
TOTAL (i+ii+iii) (A)	2,313.18	2,130.24
(B) Cost of Service Rendered/Purchased:-		
Execution of Project	644.36	1,425.30
Other Services	1,383.71	699.52
TOTAL (B)	2,028.07	2,124.82
TOTAL (A)+(B)	4,341.25	4,255.06
Less: Charged to the Ministry of External Affairs	10.94	8.74
GRAND TOTAL	4,330.31	4,246.32

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 31.3.2012	Year Ended 31.3.2011
i) Provisions, Beverages & Smokes	109.39	22.55
ii) Wine & Liquors	370.56	363.09
iii) Other Material	1,048.01	941.44
TOTAL	1,527.96	1,327.08

Change in Inventory of Traded Goods

Note - 24

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
OPENING STOCK		
i) Provisions, Beverages & Smokes	23.92	93.57
ii) Wine & Liquors	238.89	229.63
iii) Other Material	61.21	61.46
TOTAL	324.02	384.66
CLOSING STOCK		
i) Provisions, Beverages & Smokes	36.94	23.92
ii) Wine & Liquors	240.40	238.89
iii) Other Material	71.15	61.21
TOTAL	348.49	324.02
CHANGE IN INVENTORY	(24.47)	60.64
TOTAL	(24.47)	60.64

Employees' Remuneration and Benefits

Note - 25

Particulars	(₹ in lakh)	
	Year Ended 31.3.2012	Year Ended 31.3.2011
Salaries, Wages & Bonus	12,133.49	12,268.88
Employer's Contribution to Provident & Other Funds	1,029.68	952.69
Staff Welfare Expenses (Including contribution to Staff Welfare Fund)	936.16	907.78
Uniform	63.87	63.96
Provision/Contribution to Employees' Gratuity Scheme (net)	896.58	1,256.63
	15,059.78	15,449.93
Less:-		
Charged to the Project of the Ministry of Tourism	47.46	48.95
Charged to the Project of the Ministry of External Affairs	166.64	240.86
TOTAL	14,845.68	15,160.12

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 leave 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
Fair value of Defined Obligation		
Present value of projected benefit obligation as at 1.04.2011	7,051.80	3,316.76
Current service cost	300.24	175.09
Interest cost	599.67	282.00
Actuarial gain(-) / losses(+)	469.03	(159.21)
Past service cost	-	-
Benefits paid	(963.11)	(6.68)
Present value of projected benefit obligation as on 31.03.2012	7,457.63	3,607.96
Reconciliation of fair value of Assets and obligations		
Fair value of plan assets as on 1.04.2011	5,646.48	35.85
Acquisition adjustment		
Expected return on plan assets	476.67	2.92
Actual Company's contribution	97.22	-

(₹ in lakh)

Particulars	Gratuity	Leave Encashment
Actuarial gain(-) / losses (+)	0.05	-
Benefits paid	(1,181.16)	-
Fair value of plan assets as on 31.03.2012	5,039.26	38.77
Present value of defined obligation	7,457.63	3,607.96
Net liability recognised in the Balance Sheet (Note-7)	2,418.37	3,569.19
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2012		
Current service cost	300.24	175.09
Interest cost	599.67	282.00
Actuarial gain(-) / losses (+)	469.29	(159.21)
Past service cost	-	-
Expected return on plan assets	(472.62)	(2.92)
Employees' Remuneration & Benefit charged to Profit & Loss A/c		
a) Gratuity	896.58	-
b) Others	-	294.96

Gratuity Fund Investment details (Fund manager wise, to the extent funded)

	As on 31.03.2012	As on 31.03.2012
Life Insurance Corporation of India	1,916.93	38.77
Life Insurance Corporation of India	1,743.78	-
Metlife Traditional Fund	440.22	-
Metlife Unit Linked	222.95	-
AVIVA Life Insurance Company India Ltd.	474.70	-
HDFC Standard Life Insurance	240.68	-
Total	5,039.26	38.77

Actuarial assumption Discount rate

	8.50% per annum	8.50% per annum
Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Withdrawal rate (18-30 years)	0.00% p.a.	0.00% p.a.
Withdrawal rate (31-44 years)	1.00% p.a.	1.00% p.a.
Withdrawal rate (44-58 years)	3.00% p.a.	3.00% p.a.
Expected rate of return	8.96% p.a.	NIL
Future salary increase	5.00% p.a.	5.00% p.a.
Retirement age	58 years	58 years

Finance Cost

Note - 26

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
Interest paid to Banks/Financial Institutions	22.44	20.35
Other Borrowing Cost	-	-
TOTAL	22.44	20.35

Operating and Other Expenses

Note - 27

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
Travelling and Conveyance		
- Directors	12.30	10.65
- Officers and Staff	137.37	174.03
- Staff Car Expenses	64.61	58.97
	214.28	
RENT, RATES, TAXES AND INSURANCE		
- Rent	1,123.93	626.28
- Rates & Taxes	283.06	293.16
- Insurance	99.04	78.17
- Bar Licence Fees	-	0.50
	1,506.03	
REPAIRS & MAINTENANCE		
- Plant and Machinery	348.18	518.17
- Building	1,355.66	3,436.57
- Vehicles	9.95	11.86
- Others	1,375.17	1,539.64
	3,088.96	
Auditors' Remuneration (Including Branch Auditors)		
- Audit fees	13.23	12.85
- Tax Audit Fees	3.91	3.80
- Certification	0.51	0.45
- Taxation Matters	-	-
- Company Law Matters	-	-
- Out of Pocket Expenses	0.17	0.07
	17.82	
Directors' Sitting Fees	-	0.02
Legal and Professional Charges	140.40	117.16
Printing, Stationery and Periodicals	124.49	127.63
Communication Expenses	97.70	114.61
Power & Fuel	2,729.05	2,278.31
Advertisement, Publicity & Sales Promotion	338.00	255.92
Entertainment	13.34	19.36
Band and Music	42.73	46.21
Expenses on Cultural Shows	0.91	16.43
Commission to Travel Agents & Credit Card Companies	72.49	54.55
Licensees' Share of Profit	310.01	444.29
Miscellaneous Expenses	92.16	150.98
Upkeep, Service Cost and Other Operating Expenses	11,162.66	8,832.78
Loss on Sale of Fixed Assets/Write off of Assets	8.25	2.48
Loss on Collaboration Ventures	-	-
Depletion/Consumption & Breakage in Crockery, Cutlery & Utensils etc.	51.70	43.77
Donation	2.01	-
Interest paid on Advances	91.52	-
Bad Debts	1.53	10.02
Loss on Foreign Exchange Variations	5.13	0.02

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
Advances Written Off	-	969.66
Provision for Doubtful Debts & Advances	590.97	683.31
Provision for Impairments	215.59	-
Provision for Diminution of Fixed Assets	-	2.47
Provision for Inventory Write Down/Write Off of Inventories	3.87	0.76
Corporate Social Responsibility	73.39	5.00
Marketing, Guidance & Supervision Expenses	11.65	1.59
Demand & Notice	4.14	5.81
TOTAL (A)	21,010.78	20,948.31
Less:-		
Charged to the Project of the Ministry of Tourism	9.85	9.68
Charged to the Project of the Ministry of External Affairs	67.71	137.05
Departmental Expenses Charged to ITDC Unit	1.83	2.61
TOTAL (B)	79.39	149.34
TOTAL (A-B)	20,931.39	20,798.97

Note:-

(a) Expenses on Generation of Power:-

(₹ in lakh)

Particulars	Current Year 31.3.2012	Previous Year 31.3.2011
Salaries and Wages	0.00	5.75
Fuel	24.82	69.23
Depreciation	0.63	10.49
Repairs	16.08	27.43
Others	4.90	0.00
Total	46.43	112.90

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

(b) No separate charge is made to Repairs and Maintenance Account in respect of salaries, wages etc. of staff deployed for repairs carried out departmentally.

(c) ₹ 1,846.98 lakh (Previous Year ₹ 4,570.98 lakh) spent on renovation during the year at various hotels has been segregated as relating to capital ₹ 83.35 lakh (Previous Year ₹ 994.14 lakh) and revenue expenditure ₹ 1,763.63 lakh (Previous Year ₹ 3,576.84 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 31.3.2012	Year Ended 31.3.2011
Provisions no Longer required written back (Negative if Profit)	(330.84)	(67.62)
TOTAL	(330.84)	(67.62)

Note:-

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

(₹ in lakh)

Particulars	Current year	Previous Year
1. Provision for Doubtful Debts and Advances	164.60	-0.60
2. Depreciation	0.35	2.27
3. Cost of Material Sold and Services Rendered	73.58	1.10
4. Salaries Wages and Benefits	52.61	51.64
5. Repairs and Maintenance	23.40	3.54
6. Upkeep & Service Cost	1.92	4.45
7. Other Operating and Administrative Expenses	3.49	2.06
8. Provision for Diminution in Fixed Assets	1.19	-
9. Provision for Inventory Written Down	9.28	0.40
10. Legal & Professional Charges	0.02	0.02
11. Communication Exp.	0.09	2.35
12. Printing Charges	-	0.19
13. Loss on Sale of Assets	0.00	0.20
14. Power & Fuel	0.31	0.00
Total	330.84	67.62

Prior Period Adjustments

Note - 29

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
Prior Period Income (Negative)	67.12	15.13
Prior Period Expenses/Adjustments	138.39	41.13
TOTAL	71.27	26.00

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

(₹ in lakh)

Particulars	Current Year	Previous Year
Income:		
1. Beer, Wine and Spirit Sales	-	-
2. Income from Services Rendered :		
Room Rent/Licence Fee	12.72	16.34
Consultancy	33.39	8.50
3. Others :		
Employees' Remuneration and Benefits	2.39	0.41
Rent Recovery	-	-
Miscellaneous Income	7.82	0.36
Cost of Sales	10.48	(8.60)
Income from Hired Vehicles		0.96
Depreciation		0.48
Interest		(0.19)
Electricity & Water Charges	0.32	(3.13)
Total	67.12	15.13
Expenditure:		
1. Cost of Consumption of Raw Material, other Materials Sold and Services	8.50	(1.24)
2. Employees' Remuneration and Benefits	14.77	6.82
3. Travelling and Conveyance	1.11	2.78
4. Rent, Rates, Taxes and Insurance	44.05	0.33
5. Repairs and maintenance	28.96	16.60
6. Legal and Professional Charges	1.87	0.99
7. Printing, Stationery and Periodicals	0.81	0.20
8. Communication Expenses	0.17	0.21
9. Power and Fuel	4.35	0.63
10. Advertisement, Publicity and Sales Promotion	0.13	0.22
11. Sundry Expenses	21.11	5.10
12. Upkeep and Service Cost and Other Operating Expenses	4.72	6.08
13. Depreciation	6.08	1.14
14. Newspaper, books & magazines	0.03	0.03
15. Payment to hired vehicles	-	0.88
16. Membership & Subscription	-	0.11
17. Hire charges	1.07	-
18. Commission charges	0.66	-
19. Insurance Exp	-	0.22
20. Audit Fee	-	0.03
Total	138.39	41.13

Earning Per Share

Note - 30

(₹ in lakh)

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

Particulars	As at 31.3.2012	As at 31.3.2011
BASIC & DILUTED		
Net Profit/(Loss) available for Equity Shareholders	840.02	(896.22)
Weighted Number of Equity Shares of ₹ 10 each	8,57,69,400	8,57,69,400
Basic & Diluted earnings per share (in ₹)	0.98	(1.04)

Contingent Liabilities and Commitments

Note - 31

Note No. (A) Contingent Liabilities at Sl. Nos. (a)(i), (a)(iii) & (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.

“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 ₹ 18.73 lakh (Previous Year ₹ 25.24 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 ₹ 703.60 lakh (P.Y. ₹ 682.43 lakh) towards ESI dues in respect of four hotel/catering units against which the Corporation holds a deposit of ₹ 326.16 lakh (P.Y. ₹ 319.32 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts- ₹ 310.08 lakh and amount deposited ₹ 16.08 lakh). Against this the Corporation holds a liability of ₹ 193.41 lakh (P.Y. ₹ 194.42 lakh) towards ESI dues. No provision has been made for the balance of ₹ 510.19 lakh (P.Y. ₹ 488.01 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. A case was filed by Ms. S L Beer, an Australian resident, in 1982 in Hon'ble Delhi High Court. She had sustained injury at the erstwhile Akbar Hotel Swimming Pool on 05.05.1978. She filed the case against the Corporation claiming ₹ 2.00 crore by way of damages plus interest @ 18%. The Single Bench of the Hon'ble Delhi High Court passed an order dated 03.03.2011 in favour of the plaintiff awarding ₹ 1.82 crore along with simple interest @6%w.e.f.22.01.1982 till the date of the decree and further simple interest on the said amount @ 10% p.a. till its realisation. Aggrieved from the above judgement, ITDC has filed an appeal before the Divisional Bench of Hon'ble Delhi High Court. The Hon'ble Court vide order dated 19.07.2011, while staying

the above judgement and execution proceedings, has directed ITDC to deposit an amount of ₹ 508.61 lakh, the decretal amount with the Registrar General of the Delhi High Court. Accordingly, ITDC has deposited the said amount during the F.Y. 2010-11, 2011-12 with the court. Therefore pending finalisation in the matter, no provision has been made in the Accounts for F.Y. 2011-12 and the amount of ₹ 508.61 lakh has been included as Contingent Liability at A(a)(i) above and also the additional contingent liability of ₹ 1,500 lakh was also made due to counter additional claim was filled by advocate of Ms. S L Beer.

- H. 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 licence 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 (P.Y. ₹ 1,779.49 lakh)

		(₹ in lakh)	
Particulars		Current Year	Previous Year
A. Contingent Liabilities			
(a)	Claims against the Corporation not acknowledged as debts		
(i)	Claims against the Corporation not acknowledged as debts [includes for Property Tax ₹ 31.26 lakh (P.Y. ₹ 14.71 lakh) demands from custom authority ₹ 18,524.81 lakh (P.Y.21,875.10 lakh) and are subjudice].	43,355.89	28,813.48
(ii)	Guarantees executed in favour of various authorities, banks and financial Institution	295.94	91.58
(iii)	Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 25.72 lakh (P.Y. ₹ 25.72 lakh)]	387.41	465.42
(iv)	Sales Tax matters in appeal [includes ₹ 1,551.87 lakh (Previous Year ₹ 2,465.62 lakh) in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal / High Court].	3,735.38	11,948.99
(v) (a)	Liability towards Service Tax (including interest thereon) pertaining to banqueting, including catering activities, at hotels upto 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. COMMITMENTS			
	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).	211.89	472.95

- I. 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. Pending determination by the Local Commissioner of the amount payable no provision has been made in the accounts.
- J. 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 Hon'ble Estate Officer. In the meanwhile Maruti Udyog Ltd. filed a writ petition in Hon'ble Delhi High Court against the eviction and recovery applications of ITDC which has been stayed by the Hon'ble High Court. 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 date 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 Hon'ble High Court. Pending legal proceedings in the matter, the premises has not yet been vacated by M/S Maruti Udyog Ltd.

Note - 32

General Notes

- (a) Confirmation of balances have not been received in most of the cases of Sundry Debtors, Creditors, 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) The account of National Buildings Construction Corporation (NBCC) for work done at project in Iraq could not be reconciled due to non-receipt of detailed statement of account/confirmations from the party.
- (c) The current liabilities, current assets and revenue items of project at Iraq in US Dollar have been converted on the basis of prevailing rate of exchange as on 31.3.2012. The net loss of ₹ 4.01 lakh (previous year net gain of ₹ 0.58 lakh) has been debited to Profit & Loss Account. Further, in case of M/s NBCC, the liability has been shifted in INR in view of issue of bonds by EXIM Bank to NBCC in INR against amount payable in US Dollar. The

balance in Iraqi Dinar, however, continues to appear in books as recorded as on 31.03.1991 in view of non-availability of exchange rate.

- (d) 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.
- (e) 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.
- (f) 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.
- (g) Disclosure in accordance with Accounting Standard- 7 - Construction Contracts

	(₹ in lakh)
a) Aggregate amount of Revenue recognised up to the reporting date	12,513.58
b) Aggregate cost incurred up to reporting date	11,286.54
c) Revenue recognised during the current financial year	732.17
d) Cost incurred during the financial year	644.36
e) Total amount of funds received up to the reporting date	16,578.65
f) Advance due to customers up to Reporting Date	4,202.17
g) Advance due from Customers up to Reporting Date	450.02

h) 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 (Schedule-10) & Operating and Other Expenses (Schedule-11). 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.

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

	(₹ in lakh)	
Particulars	Current Year	Previous Year
a) Value of Imports on C.I.F. basis:		
i) Beer, Wine and Spirits	257.93	576.30
ii) Cigars and Cigarettes	-	81.65
Total	257.93	657.95
b) Expenditure in Foreign Currency:		
i) Travelling	12.05	10.99
ii) Fees & Subscription	3.40	-
Total	15.45	10.99
(c) Earnings in Foreign Currency (Direct)(on receipt basis):		
i) Boarding, lodging and other facilities	1,153.85	623.35
ii) Sale of goods at Duty Free Shops	868.41	768.32
iii) Gain in Foreign Exchange (net)	23.20	27.17
Total	2,045.46	1,418.84

(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.

(j) "The Utkal Ashok Hotel Corporation Limited, Puri 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 Nilanchal 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 Nilanchal 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 sub-lease 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 indent has been issued to the lessee and the execution of formal agreement is in progress.

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 2011-12 have been prepared on "Going Concern" basis/assumption."

(k) 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 2011-12. The construction work of company's hotel project at Anandpur Sahib has been at a standstill for quite some time for paucity of funds.

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

Key Management Personnels: - ITDC Limited

1. Shri Shankersinh Vaghela, Part time Chairman cum Non-official (Independent) Director w.e.f. 13.06.2012
2. Dr. Lalit K Panwar, C&MD w.e.f.21.04.2010 to 13.06.2012
Dr. Lalit K Panwar, VC&MD w.e.f 13.06.2012
3. Shri P.K. Agarwal, Director (Finance) w.e.f. 29.07.2010
4. Shri Ratan Kumar Okhandiar, Director (C&M) w.e.f. 10.07.2012

Payment made to key management personnels and their relatives.

Particulars	(Amount in ₹)	
	Current Year	Previous Year
Remuneration	36,60,435.00	54,92,490.00

(o) 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, 2012, 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 incomplete hotel project at Gulmarg, no such impairment loss warranting recognition/provision was noticed.

(p) Disclosure pursuant to Accounting Standard-29 (Provision, Contingent

Liabilities and Contingent Assets) is given in Annexure "B" to this Note.

(q) The Financial Statements for the Year ended 31st March, 2011 has been prepared as per the then applicable Pre-revised Schedule VI to the Companies Act, 1956, Consequent to the notification of Revised Schedule VI under The Companies Act,

1956. The financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Previous year figures have been reclassified/regrouped to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

(V.K. Jain) Company Secretary
(P.K. Aggrawal) Vice President (F&A)
(P.K. Agarwal) Director (Finance)
(Dr. Lalit K. Panwar) Vice Chairman & Managing Director

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

Date : 31st August, 2012
Place : New Delhi

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

	(₹ in lakh)
a) Aggregate amount of Revenue recognised up to the reporting date	12,513.58
b) Aggregate cost incurred up to reporting date	11,286.54
c) Revenue recognised during the current financial year	732.17
d) Cost incurred during the financial year	644.36
e) Total amount of funds received up to the reporting date	16,578.65
f) Advance due to customers up to reporting Date	4,202.17
g) Advance due from customers up to reporting Date	450.02

(m) Disclosure pursuant to Accounting Standard-17 on Segment Reporting is given in Annexure "A" to this Note.

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

Annexure "A" to Note No. 32 {Note No. m} 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	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
PRIMARY DISCLOSURE (Operation-wise)														
1 Segment Revenue														
a) Total Revenue	27,722.71	27,327.17	918.15	837.06	10,330.83	7,898.25	2,355.00	1,318.50	1,077.80	2,231.83	2,421.79	2,029.43	44,826.28	41,642.24
b) Less Inter Segment Revenue	67.13	70.09	-	-	89.50	184.67	477.74	335.24	-	-	-	-	634.37	590.00
c) External Revenue	27,655.58	27,257.08	918.15	837.06	10,241.33	7,713.58	1,877.26	983.26	1,077.80	2,231.83	2,421.79	2,029.43	44,191.91	41,052.24
2 Segment Results														
Profit/(Loss) before Interest, Tax and Overheads	3,880.29	1,061.42	(159.92)	(181.24)	83.96	(44.90)	(17.79)	(82.25)	(888.31)	(292.37)	2,381.86	2,028.63	5,280.09	2,489.29
Less: Allocable Corporate Overheads	-	-	-	-	-	-	-	-	-	-	3,048.86	3,596.89	3,048.86	3,596.89
Less: Interest	20.45	20.34	-	-	-	-	-	-	-	-	1.99	-	22.44	20.34
Less: Provision for Income Tax	49.56	51.80	-	-	-	-	-	-	-	-	600.00	-	649.56	51.80
Less: Provision for Wealth Tax	-	-	-	-	-	-	-	-	-	-	0.58	0.61	0.58	0.61
Less: Provision for Deferred Tax	(7.69)	16.27	-	-	-	-	-	-	-	-	747.73	(312.58)	740.04	(296.31)
Add: Provision for Income Tax for earlier year written back	8.50	(3.03)	-	-	-	-	-	-	-	-	-	2.62	8.50	(0.41)
Profit/(Loss) available for Appropriation	3,826.47	969.98	(159.92)	(181.24)	83.96	(44.90)	(17.79)	(82.25)	(888.31)	(292.37)	(2,017.30)	(1,253.67)	827.11	(884.45)
3 Segment Assets														
(Current assets plus fixed assets & WIP)	19,011.26	18,856.85	757.70	729.89	2,739.83	2,385.55	1,187.25	1,032.96	912.46	2,760.41	31,893.49	29,734.23	56,501.99	55,499.89
4 Segment Liabilities														
	16,955.81	19,135.53	805.96	862.72	2,418.72	2,170.32	1,072.06	1,110.71	9,987.89	10,598.05	(1,049.85)	(3,621.26)	30,190.59	30,256.07
5 Depreciation & amortisation in respect of Segment Assets for the period														
	553.20	563.05	1.58	1.47	14.05	14.81	3.41	3.68	1.30	1.12	27.41	24.20	600.95	608.33
6 Cost incurred during the period to acquire Segment Assets (Tangible & intangible fixed assets)														
	487.07	1,500.87	3.44	41.96	9.44	1.54	11.33	8.48	1.12	2.64	18.43	23.06	530.83	1,578.55
7 Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment														
	1,230.29	1,736.52	18.12	12.90	105.89	111.48	246.33	141.15	250.44	88.85	188.63	211.66	2,039.70	2,302.56

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

Annexure - B

Disclosure in pursuance to Accounting Standard-29-(Provision, Contingent Liabilities, and Contingent Assets)

Name of Provision	(₹ in lakh)				
	Opening Balance as on 01-04-2011	Provided during the year relating to 2011-12	Payments/ Adjustment during the year 2010-11	Provision Reversed/ written back	Closing Balance as on 31-03-2012
Income Tax	70.23	55.56	61.73	8.50	55.56
Wealth Tax	0.61	0.58	0.61	-	0.58
TOTAL	70.84	56.14	62.34	8.50	56.14

Cash Flow Statement for the Year ended 31st March, 2012

(₹ in lakh)

Particulars	Year Ended 31.3.2012	Year Ended 31.3.2011
A Cash Flow from Operations		
Profit before Taxation	2,208.78	(1,127.94)
<u>Adjustments for:</u>		
Depreciation	609.38	608.34
Diminution in value of Fixed Assets/Investments	(1.78)	1.11
Deferred Government Grant	(1.14)	(1.16)
Finance Charges	22.44	20.35
Provision for Inventory Write-down	3.87	0.76
Provision for Doubtful Debts & Advances	590.97	683.31
Interest Income	(2,327.09)	(1,908.33)
Bad Debts/Advances Written Off	1.53	979.68
(Profit)/Loss on Sale of Fixed Assets	7.29	(2.90)
Operating Profit before Working Capital Changes	1,114.26	(746.79)
(Increase)/Decrease in Current Assets		
Inventories	19.78	(53.80)
Trade Receivables	(2,558.84)	(2,683.59)
Other Current Assets	(244.86)	(161.83)
Other Non-current Assets	(39.97)	-
Long-term Loans and Advances	4.18	16.58
Short-term Loans and Advances	(1,963.84)	(340.57)
Increase/(Decrease) in Current Liabilities		
Trade Payables	(359.70)	-
Other Current Liabilities	(2,089.34)	(1,189.30)
Other Long Term Liabilities	(96.87)	60.92
Long Term Provision	1,056.54	215.10
Short Term Provision	288.75	-
Cash Inflow/(Outflow) from Operations	(4,869.91)	(4,883.28)
Direct Taxes Paid		
Income Tax Paid	29.28	741.68
Income Tax for Earlier years Written Back	(8.50)	0.41
Net Cash Inflow/ (Outflow) from Operation (A)	(4,890.69)	(5,625.37)

B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(530.84)	(1,578.55)
Sale of Fixed Asset and Adjustments	17.14	34.82
Income from Interest/Dividends	2,327.09	1,908.33
Reduction/(Addition) of Work-in-Progress	1,876.40	2,271.10
(Increase)/Decrease in Investments	-	-
Net Cash Inflow/(Outflow) from Investing Activities (B)	3,689.79	2,635.70
C Cash Flow from Financing Activities		
Increase in Share Capital	-	-
Increase/(Decrease) in Borrowings	17.24	18.12
Finance Charges	(22.44)	(20.35)
Wealth Tax Paid	(0.61)	(0.66)
Dividend Paid	-	-
Dividend Tax Paid	-	-
Deferred Government Grant	-	5.25
Net Cash Inflow/(Outflow) from Financing Activities (C)	(5.81)	2.36
Net Change in Cash or Cash Equivalents during the Year	(1,206.71)	(2,987.31)
Cash and Cash Equivalents at the beginning of the year*	27,588.25	30,575.56
Cash and Cash Equivalents at the end of the year*	26,381.54	27,588.25

* For details refer Note-18

(V.K. Jain)
Company Secretary

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

(P.K. Agarwal)
Director (Finance)

(Dr. Lalit K. Panwar)
Vice Chairman & 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 : 31st August, 2012
Place : New Delhi

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, 2012

The preparation of financial statements of India Tourism Development Corporation Limited for the year ended 31st March, 2012 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 Auditing and Assurance Standards 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 31st August, 2012.

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, 2012. 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/-
(Ila Singh)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
New Delhi

Place : New Delhi
Dated : 24th September, 2012