

Contents

	Page No.
Notice	3
Directors' Report	5
Independent Auditors' Report to the Members of India Tourism Development Corporation Ltd.	41
Accounts (Standalone) for the Year 2012-13	51
Cash Flow Statement	106
Consolidated Accounts for the Year 2012-13	109
Independent Auditors' Report to the Board of Directors' of India Tourism Development Corporation Ltd. on the Consolidated Accounts for the year 2012-13	110
Consolidated Cash Flow Statement	164
Comments of the Comptroller and Auditor General of India	166

Board of Directors

(as on 4th September, 2013)

Managing Director

Shri Girish Shankar

Functional Directors

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

Shri Trinath Behera
Director (Finance)

Government Nominee Director

Dr. (Ms.) T. 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 Vinod Singhal & Co.

M/s Jain & Jain

M/s J.P. Goyal & Co.

M/s Guru & Ram

M/s M N S & Co.

M/s Narendra & Co.

M/s Pachnanda & Associates

M/s Salarpuria Jajodia & Co.

M/s Suru Kotni & Associates

M/s 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 48th Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Monday, the 30th September, 2013 at 1600 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, 2013 and Profit & Loss Account for the year ended on that date together with the Report of the Auditors, Comptroller and Auditor General of India and the Directors' Report thereon.
- (2) To appoint a Director in place of Cmde (Retd.) R. K. Okhandiar, Director (C&M) who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers himself for re-appointment.

By Order of the Board of Directors

Place: New Delhi
Dated: 04.09.2013

(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 27th day of September, 2013 to 30th day of September, 2013 (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 Rajender Prasad, Asstt. DG(PSU), Ministry of Tourism
- 2. All Members of the ITDC Board.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 48th Annual Report together with the audited accounts of the Corporation for the year ended 31st March, 2013.

Your Corporation has achieved a total turnover of ₹ 440.64 crore during the financial year 2012-13 as against ₹ 423.06 crore in the previous year 2011-12 indicating an overall increase by 4.15%. The increase in overall turnover has been achieved in all the commercial divisions except Hotel Ashok and Engineering Division. During the financial year 2012-13, the Corporation has recorded a Net Profit (before tax) of ₹ 5.48 crore as against Net Profit of ₹ 22.02 crore in previous year 2011-12.

Performance Highlights

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

(₹ in crore)		
Particulars	2012-13	2011-12
Turnover	440.64	423.06
Operating Profit/(Loss)	13.73	28.20
Less: Depreciation	5.89	5.53

Add/(Less) Prior period adjustments & extra-ordinary items	(-)2.36	(-)0.65
Profit before Tax	5.48	22.02
Add/(less): Deferred Tax	(-)0.59	(-)7.47
Less: Provision for Income Tax	2.20	6.00
Less: Provision for Wealth Tax	0.01	0.01
Add/(Less): Provision for Income Tax for earlier years written back	0.32	0.00
Profit after Tax	3.00	8.54
Amount available for appropriation	3.00	8.54
Proposed Dividend	-	4.29
Dividend Tax	-	0.70
Equity Capital	85.77	85.77
Capital Employed	277.25	271.91
Rate of Return on Capital:		
Before Tax	6.38%	25.67%
After Tax	3.5%	9.96%
Rate of Return on Capital Employed:		
Before Tax	1.98%	8.09%
After Tax	1.08%	3.14%

Operating Ratio

The Operating Ratio has increased by 3.55% in the current year with the overall operating ratio of 96.88% as against 93.33% in the previous year 2011-12.

Division wise Financial Performance

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

Hotels Division has achieved turnover of ₹ 250.59 crore during the year 2012-13 as against ₹ 257.70 crore in the previous year 2011-12 indicating decrease by 2.84% and incurred the net loss of ₹ 4.81 crore as against the net profit of ₹ 10.61 crore in the previous year mainly due to provision for property tax dues determined on assessment of Delhi based 3 hotel properties and increase in expenditure on power & fuel etc.

The turnover of Ashok International Trade Division (AIT Division) has increased to ₹ 11.35 crore from ₹ 9.18 Crore in the previous year. During the year 2012-13, there were 7 duty free shops in operation at Goa, Goa Seaport, Coimbatore, Haldia Port, Kolkata Port, Chennai Port and Mangalore Port. During the year 2012-13, the AIT Division has incurred a net loss of ₹ 3.96 crore as compared to a net loss of ₹ 2.49 crore in the previous year mainly due to high rent cost.

The turnover of Ashok Travels & Tours (ATT) Division has increased to ₹ 106.61 crore from ₹ 92.04 crore in the previous year registering an increase by 15.83%. The ATT Division has incurred a net loss of ₹ 1.99 crore as against the net

profit of ₹ 0.07 crore in the previous year.

The turnover of Ashok Tourist Service Station (ATSS) has increased to ₹ 10.45 crore from ₹ 10.37 crore in the previous year registering a marginal increase by 0.77%. The ATSS has suffered a net loss of ₹ 0.17 crore as against the net loss of ₹ 0.20 crore in the previous year.

The turnover of the Ashok Creative Division (including SEL Red Fort) has been recorded at ₹ 6.92 crore (previous year ₹ 5.05 crore) and has incurred a loss of ₹ 1.51 crore as against net loss of ₹ 1.03 crore in the previous year 2011-12.

The Engineering Division has achieved a turnover of ₹ 4.57 crore during the year 2012-13 (previous year ₹ 5.73 crore) with net loss of ₹ 11.06 crore as against net loss of ₹ 8.11 crore in the previous financial year 2011-12 mainly due to provision of ₹ 5.77 crore as litigation loss on final resolution of the matter under litigation.

The turnover of Ashok Events Division has increased to ₹ 17.06 crore (previous year ₹ 13.98 crore) with net profit of ₹ 2.94 crore as against loss of ₹ 1.57 crore in the previous year.

The Ashok Institute of Hospitality and Tourism Management (AIH&TM) has achieved a turnover of ₹ 7.76 crore as against ₹ 4.80 crore in the previous year

Plan Schemes

The Revised Capital Budget Estimates towards capital expenditure for 2012-13 was ₹ 43.12 crore which included ₹ 30.40 crore for renovation/improvement on existing hotels, catering units and other divisions. The capital budget for ATT was ₹ 0.20 crore and ₹ 2.52 crore for other activities of the Corporation. For setting up Global Tourism University, ₹ 10 crore was kept for investment in land. The capital expenditure during 2012-13 was ₹ 3.47 crore out of which ₹ 0.78 crore was capitalized and ₹ 2.69 crore was charged to revenue.

The Plan outlay for the year 2013-14 is ₹ 136.81 crore out of which ₹ 58.25 crore relates to renovation/improvement in existing hotels, catering units, other divisions and ₹ 8.56 crore relates to other activities of the Corporation. For setting up Global Tourism University, ₹ 70 crore was kept for investment in land.

Implementation of Official Language Policy

During the year 2012-13, the Company continued its efforts to give impetus to the use of Hindi in official work through motivation and training. Cash incentives were granted to them on doing prescribed quantum of work in Hindi. Hindi workshops were organized to provide practical training of noting-drafting and other works in Hindi. Various Hindi competitions were also organized during Hindi Fortnight celebrations for giving impetus to the use of official language in day to day work. Hindi Kavighoshthi, Hindi Natya Manchan and Hindi

with net profit of ₹ 0.72 crore (previous year net profit of ₹ 0.53 crore).

The Corporate Headquarters, being the administrative office, has earned an income of ₹ 25.34 crore (previous year ₹ 24.22 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, 2013.

Dividend

Since the Corporation has not earned adequate profit during the year 2012-13, no dividend for the year is proposed to be recommended by the Board.

Rating of ITDC vis-à-vis MoU Targets

Performance of the Company for the year 2011-12 has been notified as 'Fair' with Composite Score 3.921 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**.

Prize Distribution Event were also organized to encourage official language in the Corporation.

Particulars of Employees

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

Conservation of Energy & Technology Absorption

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

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

Foreign Exchange Earnings & Outgo

The Direct Foreign Exchange Earnings during the year 2012-13 has decreased to ₹ 19.72 crore as against ₹ 20.38 crore in the previous year. The outgo of foreign exchange during the year 2012-13 is ₹ 4.87 crore as against ₹ 2.73 crore in the previous year 2011-12.

During the year, 8 officials were sent

on foreign tours at the cost of ₹ 10.16 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 Ltd (vi) Utkal Ashok Hotel Corporation Ltd and (vii) Punjab Ashok Hotel Company Ltd. The Hotel Units were set up under the aforesaid subsidiary companies at Itanagar, Guwahati, Bhopal, Puducherry and Ranchi respectively. The operation of Hotel unit at Puri is closed since March, 2004 and the Hotel has been planned to be leased out. The Hotel project at Anandpur Sahib is incomplete. The Annual Accounts of all the subsidiary companies have been audited and finalized and the Consolidated Annual Accounts pursuant to Clause 32 of the Listing Agreement has been prepared and presented in this Annual Report.

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

The Ministry of Corporate Affairs vide its General Circular No. 2/2011 has granted exemption for attaching the Balance Sheet of Subsidiary Companies with the Parent/Holding Company under Section 212(8) of the Companies Act, 1956 provided certain conditions are fulfilled. In terms of the said circular, a

statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2013 is enclosed as **Annexure VI** of this report. In terms of aforesaid circular, it is affirmed that annual reports of the subsidiary companies and the related detailed information shall be made available to shareholders of the ITDC and subsidiary companies as and when required. It is further affirmed that annual accounts of the subsidiary companies shall also be made available for inspection by any shareholders in the head office of the ITDC and of the concerned subsidiary companies. The shareholders, if they desire, may write to the company to obtain a copy of financials of the subsidiary companies.

Board of Directors

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

During the year under review, Shri Shankersinh Vaghela (w.e.f. 13.06.2012) was appointed as Part time Chairman and Non-official Director in the rank of Cabinet Minister, Cmde (Retd.) R. K. Okhandiar (w.e.f. 10.07.2012) was appointed as Director (C&M), Shri Girish Shankar (w.e.f. 06.09.2012) Additional Secretary-Ministry of Tourism was appointed as Govt. Nominee Director and Shri J. S. Mathur (w.e.f. 04.03.2013) Additional Secretary & Financial Advisor-Ministry of Tourism was appointed as Govt. Nominee Director pursuant to Article 61 of the Articles of Association of the Corporation.

During the year under review, Shri Anand Kumar (w.e.f. 6.9.2012),

Shri P. K. Agarwal (w.e.f. 28.9.2012), Shri Shankersinh Vaghela (w.e.f. 28.11.2012) and Shri Chirravuri Viswanath (w.e.f. 4.3.2013) ceased to be on the Board of Directors. The present composition of the Board is as under:

- i) Shri Girish Shankar, Additional Secretary of the Ministry of Tourism was given Additional Charge of the post of Managing Director, ITDC w.e.f. 23.04.2013
- ii) Cmde (Retd.) Ratan Kumar Okhandiar, Director (C&M) w.e.f. 10.07.2012
- iii) Shri Trinath Behera, Director (Finance) w.e.f. 26.04.2013
- iv) Dr. (Ms.) T. Kumar, Additional Secretary & Financial Advisor-Ministry of Tourism as Govt. Nominee Director w.e.f. 04.09.2013

Pursuant to Article 61 of the Articles of Association, Cmde (Retd.) R. K. Okhandiar, Director (C&M) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Cmde (Retd.) R. K. Okhandiar is M.Sc. (Physics); M.Sc.(Defence Studies & Management), M.Phil (Defence Studies & Management) and MBA (Marketing). He had served Indian Navy in the Executive Branch since 1st July, 1979 and has been a Gunnery & Missile specialist. He has commanded four warships and held several key appointments in the Navy including Principal Director of Staff Requirements at Naval

Headquarter. He was President of 33 Services Selection Board at Bhopal before leaving Indian Navy. He is also Director in all the eight Joint Venture Companies of ITDC.

Corporate Governance

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

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

Directors' Responsibility Statement

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

- that in the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed read along with proper explanation relating to departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the

end of the financial year and of the profit of the Company for the year under review.

- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the financial year ended 31st March, 2013 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 2012-13 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 2012-13 are given in **Annexures - III, IV & V**.

Comments of the Comptroller and Auditor General of India

The comments of the Comptroller & Auditor General of India, under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the financial year ended 31 March, 2013 is set out elsewhere in the Annual Report.

Acknowledgement

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

The Board also gratefully acknowledges the support and guidance received from various Ministries of the Government of India particularly the Ministry of Tourism, in Company's operations and developmental plans. The Board also wishes

to record its deep gratitude to all the members of ITDC family whose enthusiasm, dedication and co-operation, put the Company on the path of progress.

For and on behalf of Board of Directors

Date: 04.09.2013
Place: New Delhi

(Girish Shankar)
Managing Director

Management Discussion and Analysis Report

Global and Indian Scenario

Global Economy has still not recovered from downward trend due to lack of strong stimulation. Against this, Emergent economies including India grew by 4.1% in 2011 which was higher than developed economies which grew by 3.6%. Indian Economy has been impacted by the global growth slowdown. India's growth forecast in 2013 is 5.7% against the 8% growth achieved in the past. Moreover, persistent inflation and fall in rupee may further cause a dent in the growth.

Despite slowing economy, Tourism in India registered a growth. Foreign Tourist Arrivals (FTAs) in India registered a growth of 5.4% in the year 2012 over the previous year 2011. However, this growth is slower than the growth of 8.9% achieved in the year 2011 and 8.1% in the year 2010.

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. Hotels Division

Hotels Division comprising of 15 properties with 1463 rooms located all over India. This includes five Joint Venture Hotels and two managed properties. Apart from this, ITDC is running one Restaurant at Taj in Agra and three Catering Units. Hotels are a part of well known established Hotel chain - 'The Ashok Group of Hotels'.

As a part of a dual pronged strategy to promote culinary strength of ITDC Hotels as well as to promote Indian Cuisine abroad, ITDC participated in many Culinary Festivals during the year. Besides, the Ashok organized various festivals and promotions at their Restaurants. The events like Special Wine Promotion, Kabab with Chivas, IPL Food Festival, Steal a Deal Food Promotion and Olympic Food Festival received tremendous response.

ITDC Hotels actively participated in the implementation of training students under 'Hunar-Se-Rozgar' (HSR) scheme of the Ministry of Tourism. These Hotels are acting as test laboratories for 'Hunar-Se-Rozgar' programme.

A new Jain and Marwari Restaurant 'Shraman' has been opened in 'The Ashok'. The Amphitheater at 'The Ashok' got a major facelift through the renovation.

Some of the measures taken for improving the performance are :

- New F&B outlets are soon coming up at The Ashok, New Delhi viz. Chinese cuisine, Mediterranean cuisine, Night club and Discotheque.
- Incorporated new dishes in Room Service, The Oudh and The Samavar.
- ISO Certification of Kitchen at Hotel Patliputra Ashok, Patna has been completed.
- Upgrading of products through utilization of idle capacities like new restaurants on lease basis.

As a future plan, a major renovation drive for upgradation of Hotel Jaipur Ashok has been planned. A new state of the art Convention Centre is coming up at Hotel Ranchi Ashok for which the foundation stone was laid on 10th August, 2012. Hotel Pondicherry Ashok is planned to be developed as a tourist destination. The DPR has been approved by the Board of Pondicherry Ashok and the ITDC. The process of leveraging of hotel properties for new product development and diversification under Public Private Partnership (PPP) has been initiated. Formation of Joint Venture Company with Tripura Tourism Development Corporation (TTDC) for establishing a Hotel at Agartala is underway.

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

B. Ashok Creatives Division

Ashok Creatives undertakes Publicity and Advertising services for the Corporation and its Clients. The Division has the expertise of formulating media strategy/planning, execution of Advertising campaigns as well as Publicity related works.

During the year, the Division focused stand on sourcing more work from its existing and new clients viz. TRIFED, DMICDC, ASI and through various conference business procured by Ashok Events Division.

The Ashok Creatives Division is making aggressive marketing efforts to source in works from PSUs and Government bodies as well as co-ordinating with empanelled agencies to work as co-partners in assignments and bid for new works.

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 business at Airports 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.

Since modern airports have some critical criteria which ITDC does not qualify, AITD is more focused on seaports. ITDC has shown better performance through seaport shops. At present, AITD has presence at 6 seaports and at one more seaport at Kakinada, it is awaiting custom Licence.

Due to high rental of Goa Airport, AITD has decided to close the DFS at Goa Airport from August 2013.

D. Ashok Travels and Tours Division

Ashok Travels & Tours (ATT) - a Travel Division of ITDC, provides all travel related services like Ticketing / Car Rentals / Hotel Bookings / Package Tours to various Ministries, Government departments, Corporates and also to general public.

During the year 2012-13, ATT has achieved a turnover of ₹ 106.61 crore. The turnover is increased by 15.83% over the previous year.

During 2013-14, ATT is poised to achieve a turnover of ₹ 135 crore and in order to achieve this, following initiatives have been taken:

1. Increasing the volume both in Air ticketing and Package Tours by appointing GSAs;
2. Launching the Online Travel Portal;
3. Developing student package for Government / Private schools;

4. Inducting fresh and fit young professional manpower on contractual basis for large scale expansion and customer's satisfaction.

ATT is exploring new avenues for the growth and consolidation of business.

E. Ashok Institute of Hospitality & Tourism Management

The current activities of AIH&TM are:

- 4-year Bachelor's Degree course in International Hospitality Business Management (BIHBM) affiliated to Kurukshetra University.
- One year Diploma in various Hospitality Trades through National Institute of Open Schooling (NIOS).
- One year residential training in Travel, Tourism & Hospitality Courses sponsored through the Ministry of Development of North Eastern Region (DONER).
- AIH&TM also imparts on the job training to Industrial/ summer trainees from various professional institutes in different departments of the Hotel.
- Executive Development Programmes as per the requirement received from various Tourism Development Bodies.
- AIH&TM is an approved implementing agency of the Ministry of Tourism for 'Hunar-Se-Rozgar' programme.

VISION FOR AIH&TM:

- Expansion of infrastructure possibly clearance of Tennis Court land from L&DO and constructing a new campus with state of Art facilities.
- Affiliation with NCHMCT to offer B.Sc. course in order to increase student strength.
- Designing craftsman course of 03 to 06 months duration offering multi entry and exit options.
- Expansion of NIOS courses by having partnership on sharing basis with private institutes.
- Implementing other schemes of MoT under CBSP scheme like 06 months skill upgradation, Skill Certification course etc.
- Forming an alumni association.
- Participation in more inter college competition to give more exposure to our students.
- Arranging for campus placements with other hotel chains.
- Requirement of more faculties committed towards work. Setting up of standard operating procedures for new activities which have started at AIH&TM like one year diploma course.

- Aggressive marketing for increasing the business by renewing our association with State Tourism Departments and State Bhawans.
- Increasing incentives for students and teachers like field trips etc.
- Organizing short workshops for students by inviting industry experts on various subjects.
- Increasing participation in inter-college competitions and having more interface of students with industry experts.

F. Ashok Consultancy & Engineering Division

The completed projects of Ashok Engineering & Consultancy are upgradation of Imphal Hotel at Manipur, additional Banquet Hall at Hotel Patliputra Ashok, Patna and construction of wayside amenities at Kawkulh and construction of Zohtlang Tourist Lodge at Lunglai at Mizoram.

Some of the ongoing projects are convention centre at Hotel Ranchi Ashok, construction of memorial in the name of Smt. Vidya Watiji, mother of Shaheed Bhagat Singh at Moranwali village, setting up of a museum and picture gallery and upgrading the facilities for SEL at Namdhari Darbar, Ludhiana.

Under consultancy services, the projects include developing a joint venture hospitality and commercial project at Gwalior, revival of incomplete hotel project at Anandpur Sahib through PPP mode and preparation of master

plan for development of tourist centre at Kharaghoda, Gujarat, Sambhar Salt Works, Rajasthan and abandoned mines at Mandi.

Future strategy is to focus on various infrastructure and renovation projects with various Ministries and State Governments, to assist State Governments in the preparation of master plan of tourism for another 15-20 years and adoption of Project Management Consultancy approach.

G. Sound & Light Show Division

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

Detailed Project Report for SEL Show project at Moosi Maharani Ki Chhattri - Sagar - Alwar, Konark Temple-Puri, Udaigiri, Bhubaneswar, Dauli- Bhubaneswar, Ratnagiri- Odisha, Diu Fort - Diu, Jammu- J&K, Katra- J&K, Leh- J&K, have been submitted to the Ministry of Tourism/ State Tourism for sanction. Sanctions are awaited.

ITDC is also operating SEL Shows at Red Fort and Purana Quila, 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.

During the year 2012-13, the Ashok Events Division handled more than 80 events. Major Events were ASEAN Ministerial Conference organized by MoEF, PETROTECH 2012, CAPAM Conference, 4th OECD World Forum organized by the Ministry of Statistics & Programme Implementation, Mahatma Gandhi NREGA Sammelan, 2013 and 10th International Heavy Haul Conference, 2013 by Railway Board & IRCTC.

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 46 years
- Properties at Prime Locations
- Large accommodation, F&B and Convention facilities
- Well recognised expertise in State Banquets, VVIP catering, Gala dinners, Domestic and global event management, Sound & Light Shows and media planning-branding

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

Weakness

- Properties requiring significant upgradation and extensive renovation
- Ageing manpower
- High operating costs due to high wage bill

Opportunities

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

Threats

- Stringent directions on tendering procedures leading to time and cost overrun in all projects.
- Cut throat competition
- Wage & Productivity imbalance
- Lease period of some of the properties expiring

4. Outlook

Despite over supply and stiff competition leading to price de-stability, Travel and Tourism Sector has huge potential and is full of opportunities. The long term outlook for India's Travel and Tourism Sector is positive. According to World Tourism and Travel Council, demand for Travel and Tourism in India will grow annually by 8.2% during the period 2010 to 2019.

Apart from Hotel Segment, the Corporation is paying due attention to all the verticals specially Sound & Light Show where ITDC has exclusive expertise.

Proposed new projects viz. Tourist Destination at Puducherry, Convention Hall at Ranchi, leveraging properties by utilizing un-utilized space and a Joint Venture Hospitality and Commercial project at Gwalior indicate bright outlook for ITDC.

5. Risk and Concerns

Tourism is a sensitive product. During the year under review, it has been affected by general economic conditions like slowdown both global and within the country, increasing inflationary pressure, cut throat competition due to excess hotel room supply, Socio-political risk like increasing threat of terrorist activities, extreme weather conditions and natural calamities etc.

Company's specific risks are increasing dependence on Government Business, stiff competition with private hotels, threat to market share and depleting experienced workforce.

Corporation is making its best efforts in the marketing field to remain competitive and procure more business both from Government Sector and non-government parties. Some of the initiatives taken by the Corporate Marketing & Sales Division to market and promote ITDC properties, are as under :

- Formulation of tariff for all ITDC Hotels for the year 2013-14.
- Introduction of Summer Gateway Packages/Promotions.
- Sales Blitzs were undertaken in different source markets.
- ITDC participated in trade fairs and travel marts (including SATTE, (New Delhi); Great India Travel Bazaar 2013 (Jaipur); World Travel Mart 2012 (London); ITB 2013 (Berlin); Arabian Travel Mart 2013 (Dubai); MICE Travel Mart (Mumbai).
- Product familiarization visits were organized in our properties of travel agents, opinion markers etc.
- In the endeavour of introducing a Customer Relationship Management System for our guests, the Online Guest Survey Form has been introduced in June 2013 wherein guests staying at Delhi based properties are being sent an online Form that is geared both at eliciting feedback and “engaging” with our guests.

6. Vision and Mission

As per MoU 2013-14 signed between ITDC and the Ministry of Tourism, the vision and mission of the Corporation are as under :

VISION

To make every division and unit comparable to excellence with the best in the country and the world. To continue the tradition of pioneering tourism development in the country, strive for excellence in all commercial activities and create extraordinary value for our stakeholders.

MISSION

To provide leadership and play a catalytic & pioneering role in the development of tourism infrastructure in the country and to achieve excellence in its strategic business units through professionalism, transparency, value for money based customer-focused services; be future ready in ever-changing & evolving dynamic global tourism scenario.

7. 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 an Internal Audit Manual prepared by the Institute of Public Auditors of India. The Internal Auditors have been advised to follow the Internal Audit Manual.

8. Human Resource Management and Industrial Relations

The total number of employees in the Corporation as on 31.3.2012, were 2032 which have come down to 1874 as on 31.03.2013 (excluding 104 employees engaged on Direct contract basis). Out of 1874 employees, 552 employees belong to Scheduled Caste (SCs), 45 belong to Scheduled Tribes (STs) and 90 to Other Backward Classes (OBCs). 01 employee is recruited as Assistant Manager during the financial year 2012-13. Moreover, 219 employees were promoted to the next higher posts, out of which 53 employees belong to

Scheduled Castes (SCs), 03 employees belong to Scheduled Tribes (STs) and 08 belong to Other Backward Classes (OBCs). Further, there are 272 Women employees working in ITDC as on 31.03.2013 constituting 14.51% of the total workforce of the Corporation. Of these, 71 are at Executive level and 201 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 objectives, 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 2012-13

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 2012-13, the Board had following composition:

(A) Executive Directors

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

Shri Pradeep Kumar Agarwal, Director(Finance) from 29.7.2010 to 28.09.2012

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

(B) Non-Executive Directors

(a) Part-time Govt. Directors

Shri Anand Kumar
(From 7.7.2010 to 06.09.2012)

Shri Girish Shankar (From 06.09.2012 to 23.04.2013)

Shri Chirravuri Viswanath (From 23.01.2012 to 04.03.2013)

Shri Jitendra Shankar Mathur from 04.03.2013

(b) Independent Part-time Directors

Shri Shankersinh Vaghela (From 13.06.2012 to 28.11.2012)

The Board presently comprises of the following :

(A) Executive Directors

Shri Girish Shankar, Additional Secretary, Ministry of Tourism, appointed as Managing Director as additional charge w.e.f. 23.04.2013

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

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

(B) Non-Executive / Part-time Government Nominee Directors

Dr. (Ms.) T. Kumar, w.e.f. 04.09.2013

After the resignation of Shri Shankersinh Vaghela, no Chairman has been appointed. 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

Nine meetings of the Board of Directors were held during the year 2012-13 (i.e. 27th April, 2012, 7th May, 2012, 20th June, 2012, 26th July, 2012, 31st August, 2012, 9th October, 2012, 8th November, 2012, 15th February, 2013 and 4th March, 2013), 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*	09	09	Yes
Shri Pradeep Kumar Agarwal**	05	05	Yes
Shri Anand Kumar, JS(T)***	05	05	No
@Shri Chirravuri Viswanath, AS&FA	08	06	No
@@Shri Shankersinh Vaghela	05	05	Yes
@@@Cmde (Retd.) R. K. Okhandiar	06	06	Yes
\$\$Shri Girish Shankar	04	03	No
\$\$Shri Jitendra Shankar Mathur	01	01	No

* Ceased to be on the Board on 23.04.2013

** Ceased to be on the Board on 28.09.2012

*** Ceased to be on the Board on 06.09.2012

@ Ceased to be on the Board on 04.03.2013

@@Appointed as Non-official Director cum part time Chairman w.e.f. 13.06.2012, resigned and ceased to be on the Board on 28.11.2012

@@@Appointed w.e.f. 10.07.2012

\$Appointed w.e.f. 06.09.2012

\$\$Appointed w.e.f. 04.03.2013 and ceased to be on the Board on 04.09.2013

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 2012-13 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
Shri Anand Kumar, JS(T)***	Nil	Nil
Shri Chirravuri Viswanath@	01	Nil
Shri Shankersinh Vaghela@@	Nil	Nil
Cmde (Retd.) R. K. Okhandiar@@@	07	Nil
Shri Girish Shankar\$	Nil	Nil
Shri J.S. Mathur\$\$	01	Nil

* Ceased to be on the Board on 23.04.2013

** Ceased to be on the Board on 28.09.2012

*** Ceased to be on the Board on 06.09.2012

@ Ceased to be on the Board on 04.03.2013

@@Appointed as Non-official Director cum part time Chairman w.e.f. 13.06.2012, resigned and ceased to be on the Board on 28.11.2012

@@@Appointed w.e.f. 10.07.2012

\$Appointed w.e.f. 06.09.2012

\$\$Appointed w.e.f. 04.03.2013 and ceased to be on the Board on 04.09.2013

2 (c) Pecuniary relationship or transactions of the Directors

During the period under review, the Corporation did not have any pecuniary relationship or transactions with its non-executive Directors except expenses were re-imbursed to the part time chairman in performance of his duties. 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-imbursement 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, Non-official Director cum part time Chairman in the rank of Cabinet Minister, ITDC Board in its meeting held on 20th June, 2012 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.”

2 (d) Code of Conduct

The Code of Business Conduct & Ethics for the Board Members and the Senior Management Personnel of the Corporation, as revised by the Company in its meeting held on 7th May, 2012, were posted on the 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 2012-13, the composition of Audit Committee was as under:-

Name of the Director	Status	Remarks
Shri Shankersinh Vaghela*	Chairman	Independent & Non-Executive
Shri Chirravuri Viswanath**	Chairman	Non-Independent & Non-Executive
Shri Anand Kumar, Director***	Member	Non-Independent & Non-Executive
Shri Girish Shankar@	Member	Non-Independent & Non-Executive
Shri Pradeep Kumar Agarwal Director(Finance)@@	Member	Non-Independent & Executive
Cmde (Retd.) R. K. Okhandiar\$	Member	Non-Independent & Executive

* resigned and ceased to be on the Board on 28.11.2012

** Ceased to be on the Board on 04.03.2013

*** Ceased to be on the Board on 06.09.2012

@Appointed w.e.f. 06.09.2012

@@Ceased to be on the Board on 28.09.2012

\$ Appointed as Member of Audit Committee through agenda by circulation taken on record in the Board Meeting held on 15.02.13

Presently, the Committee is headed by Dr. (Ms.) T. Kumar, Govt. Nominee Director. The other member of the Audit Committee is Cmde (Retd.) R. K. Okhandiar. 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.
- (2) Reviewing with the management, internal and statutory/branch auditors, the adequacy of internal control systems.
- (3) Recommend the fixation of audit fee of the statutory auditors and branch auditors of the Corporation to be appointed by the Comptroller and Auditor General of India.
- (4) Approval of payment to statutory/ branch auditors for any other services.
- (5) Discussions with internal auditors on any significant findings and follow-up action.
- (6) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- (7) Discussion with statutory auditors before the audit commences about nature, scope of audit and time schedule as well as post audit discussions to ascertain any area of concern.

- (8) Review with management the annual financial statements before submission to the Board, focusing primarily on:-

- (a) Any change in accounting policies and practices.
- (b) Major accounting entries based on exercise of judgment by management.
- (c) Qualifications in draft audit report of statutory auditors.
- (d) Significant adjustments arising out of audit.
- (e) The going concern assumptions.
- (f) Compliance with accounting standards.
- (g) Compliance with stock exchanges 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.

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.

- (9) Reviewing the Corporation's Financial and Risk Management Policies.
- (10) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.

Meetings: During the year 2012-13, four meetings of the Audit Committee were held on 07.05.2012, 26.07.2012, 31.08.2012 and 15.02.2013. One meeting of the Audit Committee on 8.11.2012 was called but could not be held as quorum was not present. The attendance of the members in the meetings was as under:-

Name of the Member	No. of Audit Committee Meetings held during tenure	No. of Audit Committee Meetings attended during tenure
Shri Shankersinh Vaghela	03	03
Shri Chirravuri Viswanath	05	04
Shri Anand Kumar	03	03
Shri Girish Shankar	02	01
Shri Pradeep Kumar Agarwal	01	01
Cmde (Retd.) R. K. Okhandiar	01	01

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

The chairman of the Audit Committee was present in the Annual General Meeting held on 26.09.2012 for the financial year 2011-12.

(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. However, the Board in its meeting held on 30th January, 2009 had constituted a Remuneration Committee consisting of following Members as per the requirement of the DPE O.M. No. 2(70)/08-DPE(WC) dated 26.11.2008:

- (i) Shri Ashok Pahwa : Chairman
(Independent Director)
- (ii) Shri E.K. Bharat Bhushan : Member
(Director) or his nominee
- (iii) Shri P.P. Singh : Member
(Director Finance)
- (iv) Head of the HR Division : Member
Secretary

The terms & reference of the Remuneration Committee were to consider and make recommendation on the following issues:

- a) Payment of Performance Related Pay (PRP);
- b) The level of executives, who will be provided company leased accommodation;
- c) The other allowances and perks admissible to the different categories of the executives subject to a maximum ceiling of 50% of the Basic Pay;
- d) Development of a robust and transparent Performance Management System (PMS) by 31.3.2009. For the period 01.01.2007 and till a PMS is in place not later than 31.3.2009, the payment of PRP on the existing

guidelines of DPE, which is limited to 5% of distributable profit in an enterprise and

- e) Introduction of CTC concept in ITDC.

In a Meeting held on 9th October, 2012, the Board re-constituted the Remuneration Committee as under:

- i) Shri Shankersinh Vaghela : Chairman
(Independent Director)
- ii) Shri Chirravuri Viswanath : Member
(Govt. Nominee)
- iii) Cmde (Retd.) R. K. Okhandiar : Member
Director (C&M)
- iv) Head of the HR Division : Member
Secretary
- v) VP (F&A) i.e. Head of the : Special
Finance Division Invitee

During the financial year 2012-13, no meeting of the Remuneration Committee was held. Presently, only Cmde (Retd.) R. K. Okhandiar, Member of the Committee is on the Board, other Members ceased to be on the Board hence the Committee needs to be reconstituted, the same will be constituted on induction of the independent directors on the Board.

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 2012-13 were as under:-

Payment made to key management personnel and their relatives:

Remuneration: ₹ 43.27 lakh

Sitting fees: Nil

Total: ₹ 43.27 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.

(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 2012-13, the composition of the Committee was as under:-

*Dr. Lalit K. Panwar, VC&MD - w.e.f 21/4/2010

**Shri Pradeep Kumar Agarwal, Director(Finance) w.e.f 10/8/2010

* Ceased to be on the Board on 23.04.2013

** Ceased to be on the Board on 28.09.2012

During the financial year 2012-13, the Committee did not hold any meetings.

Name and address of the Compliance Officer is as under :

Mr. V K Jain, Company Secretary,
India Tourism Development
Corporation Ltd.

SCOPE Complex, Core 8, 6th Floor
7 Lodi Road, New Delhi - 110 003
Email : vkjain@theashokgroup.com
cs_itdc@theashokgroup.com
Tel: 011-24360249
Fax: 011-24360249

There was no complaint of the shareholders/Investors forwarded to the Corporation by SEBI, Stock Exchanges & Ministry of Corporate Affairs during 2012-13. 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 2012-13, are as under:-

Particulars	Received + outstanding at the beginning of the year	Redressed	Pending with Investors for completing procedural formalities
Non-receipt of Dividend	6	6	Nil
Non-receipt of Annual Report	1	1	Nil
Issue of duplicate Share Certificate & transmission of shares	4	4	Nil

(7) General Body Meetings

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

Financial Year ended	Day & Date	Time	Venue
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
31.3.2012	26.09.2012 (Wednesday)	1400 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. However, the Stock Exchange, Mumbai sent letters, from time to time, on its observation on non-compliance of the Listing Agreement regarding Composition of the Board and Qualified and Independent Audit Committee.

(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:

- The Corporation maintains a Chairman's office at Corporation's expense and allows reimbursement of expenses incurred in performance of his duties.
- The Corporation has formulated a training policy for Board Members. As per policy, ITDC offers training programmes organized by SCOPE and DPE to the Board Members. Further, on induction of non-official Directors, ITDC may also arrange training on the role and responsibilities of Directors from the professional institutes like ICAI, ICSI, ICWAI, IIM etc.

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

(9) Risk Management

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

During the financial year 2012-13, three meetings of the RMCC were held on 09.04.2012, 09.08.2012 and 06.11.2012.

(10) Subsidiary Companies

The Corporation does not have any materially unlisted subsidiary as per explanation provided in Clause 49 (III) of Listing Agreement and hence is not required to have Independent Directors of the Corporation on the Board of such subsidiary. However, all the executive Directors of the 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 07.05.2012 and 15.02.2013.

(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 English 'The Statesmen' and local language newspapers 'Jansatta', as given hereunder, having wide coverage. Official news releases are given directly to the press. Necessary arrangements have been made for hosting the quarterly results on the Corporation's website. 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:** 30th September, 2013
- (ii) **Financial Year:** 1st April to 31st March
- (iii) **Book Closure:** 27th September to 30th September, 2013 (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 2013-14 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 2012-13 are summarized as under:-

Month	Rupees High	Rupees Low	Number of Shares Traded	Total Turnover (₹ in lakh)
April 2013	-	-	Nil	Nil
May 2013	-	-	Nil	Nil
June 2013	133.25	109.75	5	0.006
July 2013	196.60	139.90	8	0.013
August 2013	238.85	206.40	6	0.013
September 2013	304.70	250.75	6	0.016
October 2013	472.35	319.90	14	0.059
November 2013	807.50	495.95	53	0.376
December 2013	1496.50	847.85	803	10.569
January 2013	2217.55	1526.40	6985	135.631
February 2013	1965.30	1339.30	200	3.315
March 2013	1312.55	615.05	150	1.349

The closing price of shares as on last working day of the March, 2013 i.e. 28.03.2013 is ₹ 615.05.

- (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 31.3.2013, is as under:-

Category	No. of Shareholders	No. of Shares held	% of Shareholding
President of India	1	7,90,00,500	92.108
Bodies Corporate	32	67,52,126	7.870
Employees and General Public	327	16,774	0.022
Total	360	8,57,69,400	100.00

The distribution of shareholding as on 31st March, 2013 is as under: -

Nominal Value	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Total Shares held
Up to 5,000	353	98.056	12614	0.015
5001 - 10,000	3	0.833	2028	0.002
10,001 - 20,000	1	0.277	1412	0.002
20,001 - 30,000	1	0.278	2571	0.003
1,00,001 & above	2	0.556	85750775	99.978
Total	360	100.00	85769400	100.00

During the financial year 2013-14, the President of India represented by the Ministry of Tourism has disinvested shares equal to 5% of the paid-up capital under offer for Sale through Stock Exchange Mechanism. This has been done to comply with the Minimum Public Shareholding of 10% of the paid-up capital. ITDC is now in compliance of Minimum Public Shareholding requirement of 10% of the paid-up capital as per Securities Contracts Regulation Rules (SCRR), 1957.

After the above said disinvestment, the shareholding of the President of India in ITDC is 7,47,12,030 shares which is equal to 87.11% of the paid-up capital of the Corporation. The public shareholding comprises 1,10,57,370 equity shares which is 12.89% of the paid-up share capital.

- (x) **Dematerialization of Shares:** The Corporation's shares are admitted for dematerialization with NSDL and CDSL. As on 31st March, 2013, 85760275 numbers of shares constituting 99.99% are in dematerialized form. The entire promoter's holding are in dematerialized form. The ISIN Number is: INE353K01014.

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

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

KARVY COMPUTERSHARE PVT. LTD.
Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad-500081
Contact person : Mr. V. K. Jayaraman/
Mr. 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, 2013
2nd Quarterly Results	: on or before 15th November, 2013
3rd Quarterly Results	: on or before 15th February, 2014
4th Quarterly Results	: on or before 15th May, 2014
AGM for the year ending 31st March, 2013	: on 30th September, 2013

(xv) Dividend payment date for the dividend of financial year 2011-12, paid in the financial year 2012-13 : 1st October, 2012.

(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 2012-13, the object of CSR policy of the Corporation was skilled development programmes. The activities undertaken during 2012-13 were Fellowship Programme under 'Hunar-Se-Rozgar' scheme to impart vocational training to youth belonging to economically weaker section of the Society, 'Ashok Prayas' projects jointly undertaken by ITDC and Prayas for running skilled development centres at Delhi, Guwahati, Patna and Ranchi and amount spent under Clean India Project. The total expenditure incurred on the activities was ₹ 25.62 lakh.

Following sustainable development activities were undertaken by ITDC, the status report is as under :

- Installation of ETP plants at Hotel Patliputra Ashok and Hotel Lalitha Malal Palace : Work award for 60 KLD ETP plant at Hotel Patliputra Ashok, Patna and Hotel Lalitha Mahal Palace, Mysore were issued on 22nd January, 2013. The work is expected to be installed by 30th September. Under this plant, the solid kitchen waste will be used as manure and the treated water will be used for gardening and Cooling Tower, thus saving of water.
- Solar Water Heating System at Hotel Kalinga Ashok : 2000 LPD Solar Water Heating at Hotel Kalinga Ashok, Bhubaneswar was installed.
- Solar Road Lights at Hotel 'The Ashok', New Delhi and Hotel Kalinga

Ashok, Bhubaneswar : Work was completed at 'The Ashok', New Delhi and Hotel Kalinga Ashok, Bhubaneswar.

- Biodegradable guests amenities at Hotel Patliputra Ashok, Patna were introduced.
- Training of Engineers on Sustainable Development : Five Engineers were given training.

Board of Directors in their meeting held on 26th July, 2012 constituted a committee of the following Board Members to monitor the progress of the Sustainable Development Projects given to ITDC under MoU 2012-13:

- Dr. Lalit K. Panwar, VC & MD as Chairman
- Cmdr R. K. Okhandiar, Director (C&M) as Member
- Shri Rajneesh Upamanyu as Secretary

No meeting of the Committee held during the year 2012-13.

(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. However, after the resignation of Shri Shankarsinh Vaghela, part time Non-official Director cum part time Chairman, no Chairman has been appointed by the President of India, Ministry of Tourism.
- ITDC 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.
- In Government Companies, the Independent Directors are appointed by the President of India through the Administrative Ministry i.e. Ministry of Tourism as approved by the Cabinet Committee on Appointments (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.
- 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 @ Rs.1000/- per meeting.

- As per DPE guidelines, performance of the functional directors including CEO are reviewed through the Administrative Ministry i.e. 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 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). 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, 2013.

For India Tourism Development Corporation Ltd.

(Girish Shankar)
Managing Director

CEO/CFO Certification

It is certified that:

- We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or statements 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.

(d) 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 fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of
India Tourism Development Corporation Ltd.

(Trinath Behera)
Director (Finance)

(Girish Shankar)
Managing Director

Place: New Delhi
Dated: 04.09.2013

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

To
The Members of
India Tourism Development Corporation Limited
New Delhi

1. We have examined the compliance of conditions of Corporate Governance by India Tourism Development Corporation Limited, for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Corporation with the Stock Exchange(s) in India (hereinafter referred to as 'the Agreement').
2. We have conducted our examination on the basis of the relevant records and documents maintained by the Corporation for the year ended 31st March, 2013 and furnished to us for the purpose of the review and the information and explanations given to us by the Corporation during the course of such review.
3. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and 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.
4. In our opinion and to the best of our information and according to the explanation given to us, we certify that the Corporation has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, subject to the following:-

- (i) As required by Para I A of the Clause 49

of the Agreement, we were informed that the Corporation does not have any Independent Director after 28th November, 2012. However, the Corporation has appointed one independent director viz Mr. Shankersinh Vaghela on 13th June, 2012 but he resigned from the post on 28th November, 2012. At present, Corporation requires atleast 2 more independent directors.

- (ii) As required by Para II A(i) of the Clause 49 of the Agreement, Corporation should have at least three non-executive directors in the Audit Committee, with the majority of them being independent, however, at present, Corporation has only one non-executive director on its board and no one is independent director.

- (iii) As required by Para II A(iii) of the Clause 49 of the Agreement, Corporation's Audit Committee should be chaired by an Independent Director, however, after the resignation of Mr. Shankersinh Vaghela same has been chaired by a non-executive director.

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 : 4th September, 2013 M. No. 503826

Management's Replies to the Observations of Auditors on Corporate Governance for 2012-13

Audit Observations	Management's Reply
As required by Para IA of the Clause 49 of the Listing Agreement, we were informed that the Corporation does not have any Independent Director after 28th November, 2012. However, the Corporation has appointed one Independent Director viz. Mr. Shankersinh Vaghela on 13th June, 2012 but he resigned from the post on 28th November, 2012. At present, Corporation requires at least 2 more Independent Directors.	After the resignation of Shri Shankersinh Vaghela, no Independent Director has been appointed. The matter of appointment of requisite number of Independent Directors is under consideration of the Administrative Ministry i.e. Ministry of Tourism. Process has already been started.
As required by Para II A(i) of the Clause 49 of the Listing Agreement, the Corporation should have at least three Non-executive Directors in the Audit Committee, with the majority of them being independent. However, at present, the Corporation has only one Non-executive Director on its board and no Independent Director.	The matter of appointment of Independent Directors is under consideration of the Administrative Ministry i.e. Ministry of Tourism. Process has already been started. After the induction of Independent Director, Audit Committee will be re-constituted so that it could be chaired by an Independent Director.
As required by Para II A(iii) of the Clause 49 of the Listing Agreement, the Corporation's Audit Committee should be chaired by an Independent Director. However, after the resignation of Mr. Shankersinh Vaghela, same has been chaired by a Non-executive Director.	The matter of appointment of requisite number of Independent Directors is under consideration of the Administrative Ministry i.e. Ministry of Tourism. Process has already been started.

The Network of ITDC Services (as on 31.03.2013)

A. ASHOK GROUP OF HOTELS			
1. Ashok Hotel, New Delhi	3. Coimbatore Airport		1
2. Hotel Janpath, New Delhi	4. Chennai Seaport		1
3. Hotel Samrat, New Delhi	5. Kolkata Seaport		1
4. Lalitha Mahal Palace Hotel, Mysore	6. Haldia Seaport		1
5. Hotel Jaipur Ashok, Jaipur	7. Mangalore Seaport		1
6. Hotel Jammu Ashok, Jammu			
7. Hotel Patliputra Ashok, Patna			
8. Hotel Kalinga Ashok, Bhubaneswar			
	Total		7
B. RESTAURANTS			
1. Taj Restaurant, Agra			
C. TRAVEL/TRANSPORT UNITS			
1. Varanasi			
2. Bengaluru			
3. Chennai			
4. Aurangabad			
5. Patna			
6. Delhi			
7. Kolkata			
8. Mumbai			
9. Hyderabad			
10. Guwahati			
11. Ranchi			
Ashok Tourist Service Station			
Chanakyapuri, New Delhi			
D. DUTY FREE SHOPS			
1. Goa Airport		1	
2. Goa Seaport		1	
	3. Coimbatore Airport		1
	4. Chennai Seaport		1
	5. Kolkata Seaport		1
	6. Haldia Seaport		1
	7. Mangalore Seaport		1
	Total		7
E. SOUND & LIGHT SHOWS			
1. Red Fort, Delhi			
2. Purana Qila, Delhi			
F. JOINT VENTURE HOTELS			
1. Hotel Brahmaputra Ashok, Guwahati			
2. Hotel Ranchi Ashok, Ranchi			
3. Hotel Nilachal Ashok, Puri (Closed since March 2004)			
4. Hotel Pondicherry Ashok, Puducherry			
5. Hotel Lake View Ashok, Bhopal			
6. Hotel Donyi Polo Ashok, Itanagar			
G. MANAGED UNITS			
1. Hotel Bharatpur Ashok, Bharatpur			
2. Kosi Restaurant, Kosi			
H. CATERING ESTABLISHMENTS			
1. State Guest House & Hospitality Centre Hyderabad House, New Delhi			
2. Western Court Catering Service New Delhi			
3. 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, 2013

Sl. No.	Para on Basis for Qualified Opinion	Management Reply
1	i)	Regarding non amortisation of lease charges in respect of Samrat Hotel New Delhi, the same has not been amortised in the absence of any tenure in letter of allotment. Refer Note No. (c) in Note No. 11 to Accounts.
2	ii)	The demands of ESI are being contested before the appropriate judicial/appeallate authorities and pending finality in the matters, the same have been included as Contingent Liabilities in Note No. A(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.
3	iii)	Refer Note No. 1 in Note Nos. 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.

Annexure-IV

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

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

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

Annexure-V

Replies to the Comments contained in Statutory Auditors' Report to the Board of Directors on the Consolidated Financial Statements for the Year ended 31st March, 2013

Sl. No.	Para on Basis for Qualified Opinion	Management Reply
1	i)	Regarding non amortisation of lease charges in respect of Samrat Hotel New Delhi, the same has not been amortised in the absence of any tenure in letter of allotment. Refer Note No. (c) in Note No. 11 to Accounts.
2	ii)	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(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.
3	iii)	Refer Note No. 1 in Note No. 17 and 14A to Accounts. The investments in subsidiary companies are long term investments and as per Accounting Policy of the Company these investments are stated at cost in the accounts and provision for diminution in value of each investment, if any, is made to recognise the decline, other than of temporary nature. The financial performance of some of the subsidiary companies except Hotel at Puri (which is operationally closed), have now shown improving trend and are making payment towards management fee and repayment of loans. As the repayment of loans/interest due thereon and management fees is not commensurate with the amount charged to them every year, the Corporation has decided to postpone the accounting for such income from these companies (viz management fees and interest on loan given) to actual realisation from 2008-09 onwards, which is in accordance with the provisions of Accounting Standard-9 on Revenue Recognition. However, in view of the improved performance and intrinsic value of properties/assets of these subsidiary companies, the amount of investments, amount recoverable from these companies has been considered as good for recovery.

Statement pursuant to exemption under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies as on 31st March, 2013

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	(Amount in ₹)	
										Profit/(Loss) after Taxation	Proposed Dividend
Ranchi Ashok Bihar Hotel Corporation Ltd.*	2012-13	71,60,000	(4,04,19,757.35)	1,79,38,259.75	5,11,98,017.10	-	2,39,54,974.01	(95,26,342.74)	-	(95,26,342.74)	-
	2011-12	71,60,000	(3,08,93,414.61)	2,18,78,805.87	4,56,12,220.48	-	2,28,27,796.00	(57,58,389.48)	-	(57,58,389.48)	-
MP Ashok Hotel Corporation Ltd.*	2012-13	1,60,00,000	(1,64,58,588.78)	7,44,99,429.09	7,49,58,017.87	-	6,65,94,343.20	1,04,92,571.39	41,12,817	63,79,754.39	-
	2011-12	1,60,00,000	(2,28,38,343.17)	6,69,52,690.10	7,37,91,033.27	-	6,38,79,646.89	94,79,397.86	36,60,877	58,18,520.86	-
Pondicherry Ashok Hotel Corporation Ltd.*	2012-13	60,00,000	13,37,299.00	2,63,58,838.00	1,90,21,539.00	-	1,77,50,639.00	(20,52,460.00)	(9,23,564)	(29,76,024.00)	-
	2011-12	60,00,000	43,13,323.00	2,81,31,115.00	1,78,17,792.00	-	1,85,81,798.00	(39,36,471.00)	(1,46,836)	37,89,635.00	-
Utkal Ashok Hotel Corporation Ltd.*	2012-13	4,80,00,000	(20,02,47,545.95)	2,52,81,772.25	17,75,29,318.20	-	-	(61,40,169.20)	-	(61,40,169.20)	-
	2011-12	4,80,00,000	(19,41,07,376.75)	2,59,42,923.25	17,20,50,300.00	-	-	(60,24,332.00)	-	(60,24,332.00)	-
Punjab Ashok Hotel Company Ltd.*	2012-13	2,50,00,000	(13,62,436.29)	2,75,96,867.39	39,59,303.68	-	750.00	(23,815.30)	-	(23,815.30)	-
	2011-12	2,50,00,000	(13,38,620.99)	2,74,36,552.39	37,75,173.38	-	-	(16,280.00)	-	(16,280.00)	-
Donyi Polo Ashok Hotel Corporation Ltd.*	2012-13	99,75,000	1,11,69,691.56	3,01,62,266.14	90,17,574.58	-	2,25,92,859.00	7,12,796.66	2,93,272	4,19,524.66	-
	2011-12	99,75,000	1,07,50,166.90	2,83,30,181.78	76,05,014.88	-	2,10,13,127.00	5,42,429.54	(6,30,064)	11,72,493.54	-
Assam Ashok Hotel Corporation Ltd.*	2012-13	1,00,00,000	(6,26,23,419.99)	4,83,95,803.94	10,10,19,223.93	-	7,39,55,201.35	(35,22,298.33)	(12,90,174)	(22,32,124.33)	-
	2011-12	1,00,00,000	(6,03,91,295.66)	4,38,35,165.81	9,42,26,461.47	-	6,67,72,864.05	(6,62,347.68)	4,53,220	(11,15,567.68)	-

* The Annual Accounts for the year 2012-13 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 C&AG.

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

Report on the Financial Statements

We have audited the attached Balance sheet of **India Tourism Development Corporation Limited**, New Delhi as at 31st March, 2013, 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 34 units/ branches audited by respective branch auditors appointed by the Comptroller and Auditor General of India.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

Basis for Qualified Opinion

- Lease charges in respect of land of Hotel Samrat not having been amortised over the lease period or over the reasonable period, as required by AS-6 on 'Depreciation Accounting'. In absence of the supporting documents, its effect*

on the accounts is indeterminate.
[Refer Note No. 11].

ii) There are demands of ₹ 536.65 lakh (Previous Year ₹ 510.19 lakh) from ESI authorities in respect of ESI dues, which are being disputed by the Corporation and not provided for. 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 (Refer Note No. 31(F)).

iii) The Corporation is due ₹ 1,413.96 lakh as at 31.03.2013 (₹ 1,377.85 lakh upto 31.03.2012) 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 31.03.2013 of ₹ 759.70 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. The adjustment

that may arise cannot be quantified at this stage. (Refer Note Nos. 17(1) & 14A(1)).

Qualified Opinion

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

- in the case of Balance Sheet of the state of affairs of the Corporation as at 31st March, 2013,
- in the case statement of Profit & Loss, of the profit for the year ended on that date.
- In the case of Cash Flow statement, of the Cash Flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we further report that:

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

2) Non-disclosure of details required in respect of operating leases entered into by the Corporation. [Point No.10 of General Note 32] - Accounting Standard-19 - Leases.

3) The Vigyan Bhawan has provided ₹ 4 lakh for electricity and water charges on assumption basis. The total liability towards electricity & water charges since the inception of the unit is ₹ 55.34 lakh payable to Directorate of Estate is subject to confirmation. In the absence of the requisite details thereof and the supporting documents, we cannot comment thereon.

4) The Hotel Janpath has accumulated total liability of ₹ 78.51 lakh towards annual lease payable @ ₹ 4.09 lakh to Ministry of Tourism. We are unable to comment on the additional financial burden on the unit in the future due to non-availability of supporting documents.

5) The personnel staff employed by the Samrat Hotel and Janpath Hotel is not equipped with the latest information technology, changes in tax law of the country, standards prescribed by the professional bodies and the other corporate and legal changes required for the day to day functioning of the unit.

6) 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]

7) In respect of Ashok Hotel, as per the Rule 6(3A) of Cenvat Credit Rules, 2004, the unit was required to make short payment of amount if any, equal to the proportionate Cenvat credit attributable to the exempted output service provided during the year up to 30th June, 2013. The unit has not yet made the final assessment of the amount payable if any as a consequence of which the unit might be liable to pay interest @ 24% p.a. up to the date of actual payment;

8) The Ashok Hotel has calculated consumption of stock and stores, crockery, cutlery, glassware and linen by taking opening balances, purchases and closing balances. The value of losses/shortages/wastages has not been accounted separately.

9) In Ashok Hotel, instances of violation of the laid down terms and conditions of the licence agreement by licensee Mayer Health Resorts Limited. The licensee is in unauthorized occupation of premises beyond the prescribed limits as stipulated in the agreement for which the Unit management has taken steps for recovery based on the joint measurement done in the year.

However, in respect of occupation done after the said date, no steps have been taken either for removal of unauthorized changes or for the recovery of the charges.

Report on Other Legal and Regulatory Requirements

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.

As required by Section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of accounts as required by law have

been kept by the Company so far as appears from our examination of those books.

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

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

Vivek Kumar
(Partner)
Place: New Delhi
Date: 04.09.2013
Membership No. 503826

Annexure Referred to in our Report of even date on the Accounts of India Tourism Development Corporation Limited for the Year ended 31st March, 2013

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 31.03.2013 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	More than six months
Ashok Hotel		1.72	
		0.396	
EPF, Ashok Hotel	EPF	1.87	More than six months

(b) According to the information & explanations given to us and as reported by the branch auditors in their reports, dues of Provident Fund, Investor Education and Protection Fund, 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	150.25	1990 to 2007	Various Authorities
The Central Sales Tax Act, 1956	Central Sales Tax	3.02	1987 to 2002	Various Authorities
Andhra Pradesh VAT Act, 2005	Local Sales Tax	327.15	2005 to 2007	Hyderabad High Court
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	475.14	1992-93	Income Tax Appellate Tribunal
			1995-96	Delhi High Court
			2005-06	CIT (A)
			2008-09	ITAT
Customs Act, 1962 Mumbai	Custom Duty	18,478.67	2004 to 2005	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 Hotel Janpath	ESI	25.85	Earlier Years	High Court of Delhi
Ashok Hotel		479.59		
Hotel Samrat		71.68		
Vigyan Bhawan	ESI	4.78		
Employees' State Insurance Kalinga	ESI	1.45	Earlier Years	Distt. Court, Khurda
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	325.60	Earlier Years	CESTAT, Delhi
ARMS		39.65	2010-11	Addl. 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 ₹ 312.93 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)
- Vivek Kumar
(Partner)
- Place: New Delhi
Date: 04.09.2013
Membership No. 503826

Accounts (Standalone) for the Year 2012-13

Balance Sheet as at 31st March, 2013

(₹ in lakh)			
Particulars	Note	As at 31.3.2013	As at 31.3.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	8,576.94	8,576.94
Reserves and Surplus	3	22,599.13	22,299.45
Money Received against Share Warrants		-	-
Deferred Government Grants		5.07	9.91
(2) Non-Current Liabilities			
Long-Term Borrowings	4	-	-
Other Long-Term Liabilities	6	880.80	544.16
Long-Term Provisions	7	4,560.02	5,297.23
		5,440.82	
(3) Current Liabilities			
Short-Term Borrowings	8	-	-
Trade Payables	9	5,197.63	6,095.17
Other Current Liabilities	10	14,248.94	14,343.15
Short-Term Provisions	7	710.79	1,532.25
		20,157.36	
TOTAL		56,779.32	58,698.26
II. ASSETS			
(1) Non-Current Assets			
Fixed Assets			
Tangible Assets in Active Use	11	5,737.56	6,101.50
Tangible Assets Not in Active Use	11A	10.97	9.45
Intangible Assets	12	47.43	28.48
Capital Work-in-Progress	12A	133.98	311.20
Non-Current Investments	13	810.60	813.74
Deferred Tax Assets (Net)	5	2,511.25	2,570.85
Long-Term Loans and Advances	14	332.51	298.54
Other Non-Current Assets	15	41.46	38.83
		9,625.76	
(2) Current Assets			
Inventories	16	1,032.61	1,124.60
Trade Receivables	17	10,249.96	11,472.03
Cash and Cash Equivalents	18	25,180.04	25,819.56
Short-Term Loans and Advances	14A	8,927.98	8,237.73
Other Current Assets	19	1,762.97	1,871.75
		47,153.56	
TOTAL		56,779.32	58,698.26

Significant Accounting Policies

1

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

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

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

Date : 4th September, 2013
Place : New Delhi

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

Statement of Profit & Loss for the Year Ended 31st March, 2013

(₹ in lakh)				
Particulars		Note	Year Ended 31.3.2013	Year Ended 31.3.2012
REVENUE				
I.	Revenue from Operations	20		
	Sales of Products		9,008.66	8,976.86
	Sales of Services		31,833.32	30,592.13
	Other Operating Revenues		160.90	193.67
II.	Other Income	21	3,060.72	2,543.34
III.	Total Revenue (I+II)		44,063.60	42,306.00
EXPENSES				
	Cost of Materials Consumed & Services Rendered	22	4,181.63	4,063.43
	Purchase of Stock-in-Trade	23	1,565.16	1,527.96
	Changes in inventories of Finished Goods and Stock-in-Trade	24	54.22	(24.47)
	Employees' Remuneration & Benefits	25	14,489.46	13,801.93
	Finance Costs	26	-	1.99
	Depreciation and Amortization Expense	11&12	589.67	553.05
	Less: Attributed to the Projects		(0.19)	(0.19)
	Operating Expenses & Other Expenses	27	22,584.37	20,444.17
IV.	Total Expenses		43,464.32	40,367.87
V.	Profit/(Loss) Before Exceptional, Extraordinary Items and Prior Period Adjustments (III-IV)		599.28	1,938.13
VI.	Exceptional Items	28	184.62	329.09
VII.	Profit/(Loss) Before Extraordinary Items and Prior Period Adjustments (V-VI)		783.90	2,267.22
	Prior Period Adjustments	29		
	Prior Period Income		(31.99)	64.72
	Prior Period Expenses/Adjustments		203.86	129.72
VIII.	Profit/(Loss) Before Extraordinary Items		548.05	2,202.22
IX.	Extraordinary Items		-	-
X.	Profit/(Loss) Before Tax(PBT) (VIII-IX)		548.05	2,202.22
XI.	Tax Expense of Continuing Operations			
	Current Tax (Income Tax)		(220.00)	(600.00)
	Tax Written Back (Previous Year)		31.94	-
	Current Tax (Wealth Tax)		(0.71)	(0.58)
	MAT Credit Entitlement		-	-
	Deferred Tax	5	(59.60)	(747.73)
XII.	Profit/(Loss) for the period from continuing operations (X-XI)		299.68	853.91
XIII.	Profit/(Loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	Profit/ (Loss) from discountinuing operations (after Tax) (XIII-XIV)		-	-
XVI.	Profit/ (Loss) for the period [Profit After Tax (PAT)] (XII+XV)		299.68	853.91
XVII.	Earnings per equity share (in ₹)	30	0.35	1.00
	(1) Basic &			
	(2) Diluted			

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

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

Date : 4th September, 2013
Place : New Delhi

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

Note - 1

Significant Accounting Policies

1. Accounting Convention

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

2. Use of Estimates

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

3. Disputed Income Tax and Sales Tax Demands

The disputed Income Tax and

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

4. Fixed Assets and Depreciation

A) Fixed Assets

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

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

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

5. Investments

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

6. Valuation of Inventories

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

7. Execution of Projects for Clients

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

rejections, if any, by the client.

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

8. Provision, Contingent Liabilities and Contingent Assets

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

9. Employees Benefits

A) Provident Fund

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

B) Gratuity

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

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

C) Leave Encashment

The provision for leave encashment is made on the basis of Actuarial Valuation.

10. Deferred Taxation

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

unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

11. Government Grant

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

12. Revenue Recognition

- i) Income from Projects is

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

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

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

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

13. Foreign Currency Transactions

a) Transactions in Foreign Exchange

- i) Initial Recognition

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

- ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are carried in terms of historical cost denominated

in a foreign currency are reported using the exchange rate at the date of the transaction.

- iii) Exchange Differences

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

b) Money Changing Business

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

14. Borrowing Costs

- i) Borrowing Costs, if any, that are directly attributable to the acquisition/construction of qualifying assets are capitalized as part of the cost of the respective assets.
- ii) Other borrowing costs are expensed in the year in which they are incurred.

15. Prior Period/Extraordinary Items

- i) All prior period items which are material and which arise in the current period as a result of 'errors or omissions' in the preparation of prior period's financial statements are separately disclosed in the current Statement of Profit &

Loss. However, differences in actual income/expenditure arising out of over or under estimation' in prior period are not treated as prior period income/expenditure.

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

16. Claims

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

Share Capital

Note - 2

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

(₹ in lakh)		
Particulars	As at 31.3.2013	As at 31.3.2012
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 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

(In Nos.)		
Particulars	As at 31.3.2013	As at 31.3.2012
Number of Shares outstanding as at beginning of the year	8,57,69,400	8,57,69,400
Add:		
Number of Shares allotted as fully paid-up-bonus Shares during the year	-	-
Number of Shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	-	-
Number of Shares allotted to employees pursuant to ESOPs/ESPs	-	-
Number of Shares allotted for cash pursuant to public issue	-	-
	8,57,69,400	8,57,69,400
Less:		
Number of Shares bought back during the year	-	-
Number of Shares outstanding as at end of the year	8,57,69,400	8,57,69,400

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

Particulars	As at 31.3.2013	As at 31.3.2012
	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. 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 31.3.2013		As at 31.3.2012	
	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 31.3.2013	As at 31.3.2012
Capital Reserve		
As per Last Balance Sheet	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	16,795.42	16,445.42
Add/(Less): Current Year Adjustments	300.00	350.00
Closing Balance	17,095.42	16,795.42
Surplus in the Statement of Profit & Loss		
As per Last Balance Sheet	5.49	-
Transfer From Profit & Loss Accounts	299.68	853.91
Surplus For The Year	305.17	853.91
Appropriations/Adjustments		
Proposed Dividend	-	428.85
Dividend Tax	-	69.57
Transfer to General Reserve	300.00	350.00
	5.17	
Grand Total	22,599.13	22,299.45

Long-Term Borrowings

Note - 4

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(A) Bonds/Debentures		
Secured	-	-
Unsecured	-	-
(B) Term Loans from Banks	-	-
(C) Term Loans from others	-	-
(D) Loans and Advances from Related Parties	-	-
Secured	-	-
Unsecured	-	-
(E) Public Deposits (Unsecured)	-	-
(F) Long-Term Maturities of Finance Lease Obligations	-	-
Total	-	-

Deferred Tax Assets (Net)

Note - 5

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
DEFERRED TAX LIABILITIES	-	-
DEFERRED TAX ASSETS	2,511.25	2,570.85
DEFERRED TAX ASSETS (Net)	2,511.25	2,570.85

Notes

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

The major components of Deferred Tax Asset (net)
as on 31.3.2013 are given below:-

(₹ in lakh)

Particulars	31.3.2013	31.3.2012
DEFERRED TAX LIABILITIES		
Depreciation	577.58	560.49
DEFERRED TAX ASSETS		
Carried forward Business Loss	119.18	244.65
Carried forward short term capital loss	-	-
Provision for Gratuity	410.30	736.87
Provision for Doubtful Debts & Advances & Inventory write down	1,284.11	1,049.80
Disallowances under Income Tax Act, 1961	1,275.24	1,100.02
	3,088.83	3,131.34
DEFERRED TAX ASSET (NET)	2,511.25	2,570.85

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 31.3.2013 has been recognised in the financial statements.

Other Long-Term Liabilities

Note - 6

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
Security Deposit & Retention Money	880.80	544.16
Total	880.80	544.16

Provisions

Note - 7

(₹ in lakh)

Particulars	As at 31.3.2013			As at 31.3.2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Employee Benefits						
Gratuity	6,574.61	1,166.89	7,741.50	6,003.06	1,063.53	7,066.59
Less:- Fund size of Investment as per Gratuity Policy	(5,367.50)	(1,166.89)	(6,534.39)	(3,731.92)	(1,063.53)	(4,795.45)
Leave Encashment	3,311.33	483.96	3,795.29	2,994.09	421.20	3,415.29
Sick Leave	41.58	6.12	47.70	32.00	12.05	44.05
	4,560.02	490.08	5,050.10	5,297.23	433.25	5,730.48
Income Tax						
Provision for Income Tax	-	220.00	220.00	-	600.00	600.00
	-	220.00	220.00	-	600.00	600.00
Wealth Tax						
Provision for Wealth Tax	-	0.71	0.71	-	0.58	0.58
	-	0.71	0.71	-	0.58	0.58
Proposed Dividend						
Proposed Dividend	-	-	-	-	428.85	428.85
Dividend Tax	-	-	-	-	69.57	69.57
	-	-	-	-	498.42	498.42
Total	4,560.02	710.79	5,270.81	5,297.23	1,532.25	6,829.48

Short-Term Borrowings

Note - 8

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(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 31.3.2013	As at 31.3.2012
Current		
Trade Payables	5,197.63	6,095.17
Total	5,197.63	6,095.17

Other Current Liabilities

Note - 10

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
Sundry Creditors (Other than trade payables)	4,421.34	3,441.90
Security Deposits & Retention Money	2,718.09	2,784.05
Advances From Customers	5,250.34	5,555.03
Other Liabilities	1,859.17	2,562.17
Total	14,248.94	14,343.15

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 25.07.2010. The Corporation has further paid/ 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. 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 ₹ 55.73 lakh (Previous year ₹ 74.85 lakh) which could not be linked to respective customer accounts, for want of adequate details.

Tangible Assets in Active Use

Note - 11

(₹ in lakh)

		Gross Block				Depreciation			Impairment				Net Carrying Amount		
Sl. No.	Description	Up to 31.03.2012	Addition during the year	Add/Less: Sales, Transfer, Write Offs and Adjustments during the year	Up to 31.03.2013	Up to 31.03.2012	For the year	Add/(Less): Sales, Transfer, Write Offs and Adjustments during the year	Up to 31.03.2013	As at 31.03.2012	Reversed during the year	Provided during the year	Up to 31.03.2013	As at 31.03.2013	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	32.37	0.97	-	*33.34	-	-	-	-	293.26	294.23
2.	Buildings-Owned	2,612.19	-	(1.11)	**2,611.08	1,396.51	45.49	1.54	1,443.54	-	-	-	-	1,167.54	1,215.68
3.	Plant & Equipment-Owned	6,543.31	185.73	142.03	6,871.07	3,817.31	307.44	(32.67)	4,092.08	-	-	-	-	2,778.99	2,726.00
4.	Furniture & Fixtures-Owned	2,828.49	28.91	(54.85)	2,802.55	1,856.25	115.23	(43.90)	1,927.58	-	-	-	-	874.97	972.24
5.	Vehicles-Owned	188.76	-	0.66	189.42	119.09	14.11	(0.01)	133.19	-	-	-	-	56.23	69.67
6.	Office Equipment-Owned	1,661.12	74.45	(299.16)	1,436.41	855.79	82.21	(49.81)	888.19	-	-	-	-	548.22	805.33
	Total	14,181.07	289.09	(212.43)	14,257.73	8,079.57	565.45	(124.85)	8,520.17	-	-	-	-	5,737.56	6,101.50
	Previous Year's Total	13,819.77	399.06	(37.76)	14,181.07	7,561.94	540.65	(23.02)	8,079.57	-	-	-	-	6,101.50	-

* 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 ₹ 1,624.52 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 1,842.75 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)

Gross Block					Depreciation					Net Block Carrying Amount		
Particulars	Up to 31.3.2012	Addition during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2013		Up to 31.3.2012	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2013	Depreciated Value as on 31.3.2013	Net Realisable Value as on 31.3.2013	Balance Provided For
A. Net Realisable Value is more than Depreciated Value												
Plant & Equipment-Owned	86.22	6.47	-	92.69		80.61	5.52	-	86.13	6.56	6.56	-
Furniture & Fixtures-Owned	21.29	1.26	-	22.55		20.23	1.20	-	21.43	1.12	1.12	-
Vehicles-Owned	3.93	-	-	3.93		3.74	-	-	3.74	0.19	0.19	-
Office Equipment-Owned	10.00	1.25	-	11.25		9.08	0.74	-	9.82	1.43	1.43	-
Total-A	121.44	8.98	-	130.42		113.66	7.46	-	121.12	9.30	9.30	-
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
Furniture & Fixtures-Owned	0.76	-	-	0.76		0.72	-	-	0.72	0.04	-	0.04
Vehicles-Owned	-	-	-	-		-	-	-	-	-	-	-
Office Equipment-Owned	1.57	-	-	1.57		1.01	-	-	1.01	0.56	0.01	0.55
Total-B	28.49	-	-	28.49		18.69	-	-	18.69	9.80	1.67	8.13
Total (A+B)	149.93	8.98	-	158.91		132.35	7.46	-	139.81	19.10	10.97	8.13
Previous Year	163.60	3.01	16.68	149.93		143.50	2.86	14.01	132.35	17.58	9.45	8.13

Intangible Assets

Note - 12

(₹ in lakh)

		Gross Block				Accumulated Amortisation		Accumulated Impairment				Net Carrying Amount			
Sl. No.	Description	As at 31.03.2012	Additions during the year	Add/(Less) adjust-ments during the year	As at 31.03.2013	As at 31.03.2012	Provided during the year	Add/(Less) adjust-ments during the year	As at 31.03.2013	As at 31.03.2012	Reversed during the year	Provided during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
1.	Goodwill														
2.	Brands/Trade Marks														
3.	Computer Software														
-	Acquired	50.88	43.09	0.70	94.67	22.41	24.22	0.61	47.24	-	-	-	-	47.43	28.48
-	Internally Generated														
4.	Mastheads														
5.	Mining Rights														
6.	Copyrights														
-	Acquired														
-	Internally Generated														
7.	Patents														
-	Acquired														
-	Internally Generated														
	Total	50.88	43.09	0.70	94.67	22.41	24.22	0.61	47.24	-	-	-	-	47.43	28.48
	Previous Year's total	35.68	15.20	-	50.88	9.85	12.40	0.16	22.41	-	-	-	-	28.48	-

Capital Work-in-Progress

Note - 12A

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
I) Work-in-Progress (at cost) including construction material laying at site and fixed assets not put to use, value of work done & material supplied by the contractors/suppliers	230.85	374.39
II) Expenses attributable on Projects Pending Allocation	114.60	113.86
III) Capital Goods-in-Hand & in Transit	7.38	38.54
	352.83	526.79
Less:- Provision for Impairment	(218.85)	(215.59)
TOTAL	133.98	311.20

Notes:-

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

(₹ in lakh)

Particulars	Current Year	Previous Year
Opening Balance	113.86	158.17
Add:-		
Other Project Overheads	19.22	44.90
Depreciation/Amortisation of Lease	0.19	0.19
Less: Capitalised during the year	18.67	89.40
Closing Balance	114.60	113.86

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 31.3.2013	As at 31.3.2012
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-up Equity Shares of ₹ 10/- each	0.50	0.50
Less:- Provision for diminution in value of Investment	0.50	0.50
	-	-
C. Others (Trade 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	3.14	3.18
Less : Share of Loss	-	(0.04)
Less Amount Received during the year	(3.14)	-
TOTAL	810.60	813.74

* 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 ₹ 0.21 lakh (PY ₹ 1.16 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. In the absence of any existing/proposed commercial activities both the partners decided to dissolve the partnership and accordingly the share of investment of ITDC up to ₹ 3.14 lakh has been received. The share of loss from the partnership amounting to nil lakh (Previous year profit ₹ 0.04 lakh) (net of firm tax) has been recognised during the year.

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

Notes:-

Investment 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.

Long-Term Loans and Advances

Note - 14

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
A) Security Deposits		
Secured, considered good	1.89	0.89
Unsecured, considered good	169.65	136.68
Doubtful	25.76	25.76
Less: Allowance for bad and doubtful advances	(25.76)	(25.76)
Total (A)	171.54	137.57
(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)]	332.51	298.54

Other Non-Current Assets

Note - 15

(₹ in lakh)		
Particulars	As at 31.3.2013	As at 31.3.2012
(A) Long-Term Trade Receivables other than Current (including trade receivables on deferred credit terms)		
Secured, considered good	9.41	-
Unsecured, considered good	31.63	38.50
Doubtful	3,188.44	2,552.00
Less: Allowance for bad and doubtful advances	(3,188.44)	(2,552.00)
Total (A)	41.04	38.50
(B) Others		
Secured, considered good	-	-
Unsecured, considered good	0.42	0.33
Doubtful	445.72	403.55
Less: Allowance for bad and doubtful advances	(445.72)	(403.55)
Total (B)	0.42	0.33
TOTAL [(A)+(B)]	41.46	38.83

Inventories

Note - 16

(₹ in lakh)		
Particulars	As at 31.3.2013	As at 31.3.2012
(As per inventories prepared, valued and certified by the Management at lower of the cost or net realisable value)		
Stores and Spares	262.10	252.55
Tools	0.38	0.36
Crockery, Cutlery, Glassware and Linen etc. (in hand and in use)	263.08	273.62
Other Stocks and Stores (Others)	539.66	637.60
Less:- Provision for Inventory Write Down	32.61	39.53
Total	1,032.61	1,124.60

Trade Receivables

Note - 17

(₹ in lakh)		
Particulars	As at 31.3.2013	As at 31.3.2012
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	58.35	199.48
(ii) Unsecured, considered good	4,970.20	4,476.60
(iii) Doubtful	16.80	194.59
Less: Allowance for bad and doubtful debts	16.80	194.59
TOTAL (A)	5,028.55	4,676.08
(B) Trade Receivables (others)		
(i) Secured, considered good	396.53	309.91
(ii) Unsecured, considered good	4,824.88	6,486.04
(iii) Doubtful	26.75	-
Less: Allowance for bad and doubtful debts	26.75	-
TOTAL (B)	5,221.41	6,795.95
TOTAL {A+B}	10,249.96	11,472.03

Notes:-

1. Trade Receivables include ₹ 259.12 lakh (net) (Previous year ₹ 297.21 lakh-net) in respect of following Subsidiary Companies:

(₹ in lakh)		
Name of the Company	Current Year	Previous Year
Assam Ashok Hotel Corporation Ltd.	106.43	125.68
Donyi Polo Ashok Hotel Corporation Ltd.	-	-
MP Ashok Hotel Corporation Ltd.	77.84	77.84
Pondicherry Ashok Hotel Corporation Ltd.	50.30	50.30
Ranchi Ashok Bihar Hotel Corporation Ltd.	76.58	76.58
Utkal Ashok Hotel Corporation Ltd.*	24.55	24.55
Punjab Ashok Hotel Company Ltd.	-	-
Total	335.70	354.95
Less: Provision made	76.58	57.74
Net	259.12	297.21
(*) 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 31.3.2013	As at 31.3.2012
(A) Cash on hand		
Cash on hand	27.32	19.67
(B) Balances with Banks		
In Current Account	2,921.48	2,629.31
In Savings Account	-	-
Provision for Doubtful Recovery	-	(1.23)
(C) Cheques, Drafts in hand		
Cheques in hand	356.51	301.02
Drafts in hand	-	-
(D) Other Bank Balances		
Term deposits with Banks for Less than 12 months	21,832.38	22,800.00
Term deposits with Banks for more than 12 months*	42.35	70.79
TOTAL	25,180.04	25,819.56

* Include FDR's of ₹ 35.95 lakh (Previous year ₹ 31.91 lakh) lodged as security

Short Term Loans & Advances

Note - 14A

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(A) Loans and Advances to Related Parties		
Secured, considered good	-	-
Unsecured, considered good	1,153.50	1,165.38
Doubtful	41.80	20.18
Less: Allowance for bad and doubtful advances	(41.80)	(20.18)
Total (A)	1,153.50	1,165.38
(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	8.81	8.88
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (B)	8.81	8.88
(C) Others (Specify)		
Secured, considered good	0.99	1.56
Unsecured, considered good	1,895.35	1,894.55
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (C)	1,896.34	1,896.11
(D) Advance Income Tax and Tax Deducted at source	5,866.06	5,162.55
Total (D)	5,866.06	5,162.55
(E) Sales Tax paid in Advance	3.27	4.81
Total (E)	3.27	4.81
TOTAL [(A)+(B)+(C)+(D)+ (E)]	8,927.98	8,237.73

Notes:-

1. Loans and Advances include ₹ 1,153.51 lakh (net) (Previous year ₹ 1,165.38 lakh-net) in respect of following Subsidiary companies

(₹ in lakh)		
Name of the Company	Current Year	Previous Year
i) Assam Ashok Hotel Corporation Ltd.	70.29	73.81
ii) Donyi Polo Ashok Hotel Corporation Ltd.	(1.34)	(1.26)
iii) MP Ashok Hotel Corporation Ltd.	260.24	265.49
iv) Pondicherry Ashok Hotel Corporation Ltd.	23.47	21.42
v) Ranchi Ashok Bihar Hotel Corporation Ltd.*	249.79	234.04
vi) Utkal Ashok Hotel Corporation Ltd.**	565.23	564.88
vii) Punjab Ashok Hotel Company Ltd.	27.62	27.18
Total	1,195.30	1,185.56
Less: Provision made	41.79	20.18
Net	1,153.51	1,165.38

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

2. Loans and Advances include the following:-

(₹ in lakh)		
Particulars	Current Year	Previous Year
Advances due from Directors and officers of the Corporation	10.61	8.88
Maximum amount due from Directors and officers of the Corporation during the year	33.90	15.40

3. *Amount recoverable includes ₹ 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 estimates lower realisability of debts and advances, amounting to ₹ 118.37 lakh (Previous Year ₹ 77.92 lakh).

Other Current Assets

Note - 19

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
Interest accrued but not due on Term Deposits	980.70	1,033.38
Others	782.27	838.37
Less: Allowance for bad and doubtful advances	-	-
TOTAL	1,762.97	1,871.75

Note:-

Others include FDRs ₹ 1.58 lakh deposited with RPFC Jaipur.

Revenue from Operations

Note - 20

(₹ in lakh)		
Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Sales of Products (A)		
Food	5,640.96	5,557.54
Beer, Wine & Spirits	1,807.69	1,777.17
Cigars and Cigarettes	135.17	196.35
Soft Drinks	255.55	306.76
Petrol, oil & Lubricant	1,030.15	1,030.04
Tourist Literature and Other Publications	68.09	51.80
Miscellaneous Sales	71.05	57.20
Total (A)	9,008.66	8,976.86
Sales of Services (B)		
Room Rent	11,354.55	12,257.08
Licence Fees	4,669.59	4,155.53
Banquet Hall/Lawn Rental	927.79	1,146.33
Traffic Earnings & Package Tours	1,465.26	1,358.35
Travel Services	9,150.09	7,791.27
Management/Consultancy/Event Management/Training Fees	2,578.44	2,008.80
Revenue From Execution of Project	626.95	732.17
Son-et-Lumiere & Cultural Shows	87.29	91.52
Commission Received	37.75	46.76
Electricity Charges	394.53	436.65
Telephone Services	15.59	6.72
Advertisement Income	154.84	157.48
Service Charges	370.65	403.47
Total (B)	31,833.32	30,592.13
Other Operating Revenues (C)		
Miscellaneous Income	160.90	193.67
Total (C)	160.90	193.67
TOTAL (A)+(B)+(C)	41,002.88	39,762.66

Note:-

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

Other Income

Note - 21

(₹ in lakh)		
Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Other Income		
Interest (Gross) From-Banks/Financial Institutions	2,359.94	2,270.00
Loan to Employees	0.67	0.80
On Income Tax Refund	10.78	20.92
Others	24.61	1.11
Profit on Sale of Assets	1.84	0.64
Gain on Foreign Exchange Variation	33.23	28.17
Grant from the Ministry of Tourism	0.34	0.60
Others	629.31	221.10
Total	3,060.72	2,543.34

Note:-

Out of the balance amount of ₹ 9.91 lakh (Previous year ₹ 10.51 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 0.34 lakh incurred during the year (Previous year ₹ 0.60 lakh) has been charged to the respective head of expenditure. Further a sum of ₹ 4.50 lakh lying unspent has been transferred to Advances from customers after the approval of the Ministry of Tourism. The amount equivalent to the grant related cost incurred during the year has accordingly been recognised as income. The balance of ₹ 5.07 lakh(previous year ₹ 9.91 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 31.3.2013	Year Ended 31.3.2012
(A) Cost of Consumption of Raw Materials, Other Materials Sold and Service Rendered		
i) Provisions, Beverages & Smokes		
Opening Stock	70.11	64.25
Add:- Purchases & Adjustments	2,033.36	1,918.22
Less:- Transfer & Adjustments	328.95	218.77
Closing Stock	95.96	70.11
TOTAL (i)	1,678.56	1,693.59
ii) Wine & Liquors		
Opening Stock	219.02	239.50
Add:- Purchases & Adjustments	181.21	383.24
Less:- Transfer & Adjustments	34.21	93.05
Closing Stock	148.91	219.02
TOTAL (ii)	217.11	310.67
iii) Other Materials		
Opening Stock	-	1.89
Add:- Purchases & Adjustments	50.64	42.04
Less:- Transfer & Adjustments	-	1.89
Closing Stock	-	-
TOTAL (iii)	50.64	42.04
TOTAL (i+ii+iii) A	1,946.31	2,046.30
(B) Cost of Service Rendered/Purchased:-		
- Execution of Project	524.82	644.36
- Other Services	1,724.07	1,383.71
TOTAL (B)	2,248.89	2,028.07
TOTAL (A+B)	4,195.20	4,074.37
Less: Charged to the Ministry of External Affairs	(13.57)	(10.94)
GRAND TOTAL	4,181.63	4,063.43

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 31.3.2013	Year Ended 31.3.2012
i) Provisions, Beverages & Smokes	35.84	109.39
ii) Wine & Liquors	498.26	370.56
iii) Other Material	1,031.06	1,048.01
TOTAL	1,565.16	1,527.96

Change in Inventory of Traded Goods

Note - 24

(₹ in lakh)		
Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
(A) OPENING 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
(B) CLOSING STOCK		
i) Provisions, Beverages & Smokes	2.33	36.94
ii) Wine & Liquors	260.20	240.40
iii) Other Material	31.74	71.15
TOTAL	294.27	348.49
(C) CHANGE IN INVENTORY	54.22	(24.47)
	54.22	(24.47)

Employees' Remuneration & Benefits

Note - 25

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Salaries, Wages & Bonus	11,801.98	11,248.87
Employer's Contribution to Provident & Other Funds	942.20	947.88
Staff Welfare Expenses (including contribution to Staff Welfare Fund)	818.45	913.18
Uniform	50.39	58.48
Provision/Contribution to Employees' Gratuity Scheme (net)	1,106.77	847.62
	14,719.79	14,016.03
Less:-		
Charged to the Projects of the Ministry of Tourism	61.91	47.46
Charged to the Ministry of External Affairs	168.42	166.64
Total	14,489.46	13,801.93

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 1.04.2012	7,066.59	3,415.29	44.05
Current service cost	302.96	168.62	5.97
Interest cost	563.78	272.47	3.52
Actuarial gain (-) / losses (+)	709.64	(61.09)	(5.84)
Past service cost	-	-	-
Benefits paid	(901.47)	-	-
Present value of projected benefit obligation as on 31.03.2013	7,741.50	3,795.29	47.70

(₹ in lakh)

Particulars	Gratuity	Leave Encashment	Half Pay Leave
Reconciliation of Fair Value of Assets and Obligations			
Fair value of plan assets as on 1.04.2012	4,795.45	-	-
Acquisition adjustment	-	-	-
Expected return on plan assets	453.19	-	-
Actual Company's contribution	2,267.38	-	-
Actuarial gain (-) / losses (+)	16.42	-	-
Benefits paid/adjustments	(998.05)	-	-
Fair value of plan assets as on 31.03.2013	6,534.39	-	-
Present value of defined obligation	7,741.50	3,795.29	47.70
Net liability recognised in the Balance Sheet (Note-7)	1,207.11	3,795.29	47.70
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2013			
Current service cost	302.96	168.62	5.97
Interest cost	563.78	272.47	3.52
Actuarial gain (-) / losses (+)	693.22	(61.09)	(5.84)
Past service cost	-	-	-
Expected return on plan assets	(453.19)	-	-
Employees' Remuneration & Benefit charged to Profit & Loss A/c			
a) Gratuity	1,106.77	-	-
b) Others	-	380.00	3.65
Gratuity Fund Investment Details (Fund manager wise, to the extent funded)			
Life Insurance Corporation of India	1,683.18	-	-
Life Insurance Corporation of India	1,945.90	-	-
Metlife Traditional Fund	484.40	-	-
Metlife Unit Linked	247.65	-	-
AVIVA Life Insurance Company India Ltd.	531.97	-	-
HDFC Standard Life Insurance	269.03	-	-
Birla Sun-life Insurance Fund	571.38	-	-
Future Generali India Fund	800.88	-	-
Total	6,534.39	-	-

(₹ in lakh)

Particulars	Gratuity	Leave Encashment	Half Pay Leave
Acturial assumption			
Discount rate	8.00% per annum	8.00% per annum	8.00% per annum
Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Withdrawal rate (18-30 years)	0.00% p.a.	0.00% p.a.	0.00% p.a.
Withdrawal rate (31-44 years)	1.00% p.a.	1.00% p.a.	1.00% p.a.
Withdrawal rate (44-58 years)	3.00% p.a.	3.00% p.a.	3.00% p.a.
Expected rate of return	8.00% p.a.	8.00% p.a.	8.00% p.a.
Future salary increase	5.00% p.a.	5.00% p.a.	5.00% p.a.
Retirement age	58 years	58 years	58 years

Finance Cost

Note - 26

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Interest paid on Advances	-	1.99
Other Borrowing Cost	-	-
TOTAL	-	1.99

Operating and Other Expenses

Note - 27

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
TRAVELLING AND CONVEYANCE		
(a) Directors	18.07	11.23
(b) Officers & Staff	138.33	119.38
(c) Staff Car Expenses	84.92	63.09
	241.32	
RENT, RATES, TAXES AND INSURANCE		
(a) Rent	970.23	1,122.67
(b) Rates & Taxes	1,218.65	258.54
(c) Insurance	97.59	95.09
	2,286.47	
REPAIRS & MAINTENANCE		
(a) Plant and Machinery	360.35	330.53
(b) Buildings	503.49	1,330.65
(c) Vehicles	9.43	9.60
(d) Others	1,144.31	1,340.15
	2,017.58	
Auditors' Remuneration(Including Branch Auditors)		
(a) Audit fees	26.06	11.90
(b) Tax audit fees	7.76	3.57
(c) Certification	0.51	0.51
(d) Taxation Matters	-	-
(e) Company Law Matters	-	-
(f) Out of Pocket Expenses	0.27	0.09
	34.60	
Directors' Sitting Fees	-	-
Legal and Professional Charges	178.21	127.95
Printing, Stationery and Periodicals	98.81	110.34
Communication Expenses	98.24	87.56
Power & Fuel	2,906.82	2,570.44
Advertisement, Publicity & Sales Promotion	606.33	330.48
Litigation Loss	573.78	-
Entertainment	20.39	13.34
Band and Music	43.71	41.83
Expenses on Cultural Shows	-	0.61
Commission to Travel Agents & Credit Card Companies	62.80	60.92
Licensees' Share of Profit	205.03	310.01
Miscellaneous Expenses	67.80	85.25
Upkeep, Service Cost and Other Operating Expenses	12,610.81	11,067.96
Loss on Sale of Fixed Assets/Write off of Assets	0.25	5.65
Loss on Collaboration Ventures	0.21	1.20
Depletion/Consumption & Breakage in Crockery, Cutlery & Utensils etc.	41.07	42.42
Donation	-	2.01
Interest paid on Advances	-	91.52
Bad Debts	16.07	1.53
Loss on Foreign Exchange Variations	4.75	5.13
Advances Written Off	3.49	-

Provision for Doubtful Debts & Advances
Provision for Impairments
Provision for Diminution of Fixed Assets
Provision for Inventory Write Down/Write Off of Inventories
Corporate Social Responsibility

570.85	581.14
3.25	215.59
-	-
1.23	3.87
-	69.81
22,693.87	20,523.56
12.67	9.85
96.83	67.71
-	1.83
109.50	79.39
22,584.37	20,444.17

Less:-

Charged to the Projects of the Ministry of Tourism
Charged to the Ministry of External Affairs
Departmental Expenses Charged to ITDC Unit

Notes:-

- Expenses on Generation of Power:-

(₹ In lakh)

Particulars	Current Year	Previous Year
Salaries and Wages	5.37	-
Fuel	52.38	24.82
Depreciation	15.86	0.63
Repairs	32.60	16.08
Others	-	4.90
Total	106.21	46.43

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

- No separate charge is made to Repairs and Maintenance Account in respect of salaries, wages etc. of staff deployed for repairs carried out departmentally.
- ₹ 349.62 lakh (Previous Year ₹ 1,846.98 lakh) spent on renovation during the year at various Hotels has been segregated as relating to capital ₹ 80.78 lakh (Previous Year ₹ 83.35 lakh) and revenue expenditure ₹ 268.84 lakh (Previous Year ₹ 1,763.63 lakh) based on certificate issued by the Project engineer and which have been relied upon by the auditors.
- Auditors remuneration include Audit fees ₹ 6.43 lakh and Tax Audit fees ₹ 1.93 lakh towards difference of enhancement of fees for 2011-12.

Exceptional Items

Note - 28

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Provisions no Longer required written back	184.62	329.09
Total	184.62	329.09

Notes:-

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

(₹ in lakh)

Particulars	Current Year	Previous Year
1. Provision for Doubtful Debts and Advances	21.66	158.52
2. Depreciation	1.04	0.33
3. Cost of Material Sold and Services Rendered	5.37	72.86
4. Salaries, Wages and Benefits	23.57	52.61
5. Rates & Taxes	62.01	-
6. Repairs and Maintenance	8.07	22.90
7. Balance with Banks	1.23	-
8. Upkeep & Service Cost	-	7.41
9. Other Operating and Administrative Expenses	54.75	3.89
10. Provision for Diminution in Fixed Assets	-	1.20
11. Provision for Inventory written down	6.92	9.28
12. Communication Expenses	-	0.09
Total	184.62	329.09

Prior Period Adjustments

Note - 29

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Prior Period Income	(31.99)	64.72
Prior Period Expenses	203.86	129.72
Net Prior Period Income/(Expenditure)	(235.85)	(65.00)

Notes:-

1. Income/expenditure and adjustment relating to earlier years charged to Statement of Profit & Loss Account 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	1.64	12.72
Consultancy	(49.45)	33.39
3. Others:		
Employees' Remuneration and Benefits	0.41	-
Cost of Sales	1.42	10.48
Miscellaneous Income	14.05	7.81
Electricity & Water Charges	(0.06)	0.32
Total	(31.99)	64.72
Expenditure:		
1. Cost of Consumption of Raw Material, Other Materials Sold and Services	5.16	8.50
2. Employees' Remuneration and Benefits	42.20	14.46
3. Travelling and Conveyance	2.25	1.11
4. Rent, Rates, Taxes and Insurance	26.32	43.99
5. Repairs and Maintenance	24.80	24.93
6. Audit Fees	0.01	-
7. Legal and Professional Charges	0.21	1.51
8. Printing, Stationery and Periodicals	(0.06)	0.28
9. Communication Expenses	0.42	0.02
10. Power and Fuel	0.15	4.35
11. Advertisement, Publicity and Sales Promotion	1.09	-
12. Sundry Expenses	0.25	20.57
13. Upkeep and Service Cost and Other Operating Expenses	23.11	3.26

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
14. Depreciation	67.01	6.08
15. Consultancy	10.15	-
16. Freight	0.19	-
17. Commission charges	0.60	0.66
Total	203.86	129.72

Earning Per Share

Note - 30

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
The calculation of Earning per share as per Accounting Standard - 20 is as under:-		
BASIC & DILUTED		
Net (Loss)/ Profit available for Equity Shareholders (₹ in lakh)	299.68	853.91
Weighted Average number of Equity Share of ₹ 10/- each	8,57,69,400	8,57,69,400
Basic earnings per share (₹)	0.35	1.00

Contingent Liabilities and Commitments

Note - 31

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

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

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

C. The 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

(₹ 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 demands from custom authority ₹ 18,525.97 lakh (Previous Year ₹ 18,524.81 lakh) and are subjudice].	47,081.54	43,007.57
(ii) Guarantees executed in favour of various authorities, banks and financial institution [including guarantees provided against loans obtained by subsidiary companies ₹ 312.93 lakh (Previous year ₹ 294.36 lakh)]	409.46	295.94
(iii) Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 17.59 lakh (Previous Year ₹ 25.72 lakh)]	475.54	380.26
(iv) Sales Tax matters in appeal [includes ₹ 2,045.40 lakh (Previous Year ₹ 1,551.87 lakh) in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal / High Court].	2,529.51	3,735.38
(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).	70.09	211.89

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(a)(i) above and also the additional contingent liability of ₹ 1500 lakh was also made due to counter additional claim was filled 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 license fee/royalty payable in this regard is not subject to service tax. Similar views on non levying of service tax on such licence fee/royalty have also been opined by tax consultants. The issue is also under consideration by the Director General of Central Excise Intelligence. Pending clarifications, no provision has been made for the estimated liability, towards service tax for the period from 10.9.2004 to 31.3.2008 for all the ten Duty Free Shops, which works out to ₹ 1,779.49 lakh (Previous year ₹ 1,779.49 lakh)

- F. The Employees State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totalling ₹ 730.06 lakh (Previous year ₹ 703.60 lakh) towards ESI dues in respect of four hotel/catering units against which the corporation holds a deposit of ₹ 327.20 lakh (Previous year ₹ 326.16 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts - ₹ 310.09 lakh and amount deposited ₹ 17.11 lakh). Against this the Corporation holds a liability of ₹ 193.41 lakh (previous year ₹ 193.41 lakh) towards ESI dues. No provision has been made for the balance of ₹ 536.65 lakh (Previous year ₹ 510.19 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.

General Notes

Note - 32

- Confirmation of balances have not been received in most of the cases of Trade receivable, Trade payable, Loans and Advances and Deposits. Besides in a few units, balances in customers accounts are under reconciliation with the General Ledger control account balances. Effect on the accounts on due confirmation, reconciliation and adjustments thereof cannot be indicated at this stage.
- The net accumulated amount of losses ₹ 2,434.41 lakh (Previous year ₹ 2,337.33 lakh) of subsidiary companies so far as it concerns to the Corporation, not dealt with in the accounts is as under:-

(₹ in lakh)

Name of the Subsidiary Company	For the period up to	Share % of Profit/ Losses	Accumulated Amount of Losses/ (Profit)
Assam Ashok Hotel Corporation Ltd.#	2012-13	51	332.13
Donyi Polo Ashok Hotel Corporation Ltd.#	2012-13	51	(56.97)
Madhya Pradesh Ashok Hotel Corporation Ltd.#	2012-13	51	83.94
Pondicherry Ashok Hotel Corporation Ltd.#	2012-13	51	5.93
Punjab Ashok Hotel Company Ltd.#	2012-13	51	6.95
Ranchi Ashok Bihar Hotel Corporation Ltd.#	2012-13	51	206.35
Utkal Ashok Hotel Corporation Ltd.#@	2012-13	92	1,856.08
Total Net Losses			2,434.41
Previous Year Net Losses			2,337.33

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

- Following past practice, consumption of Stocks, stores, crockery, cutlery etc. has been worked out by adding opening balances to purchases and deducting therefrom closing balance based on physical inventories valued as per accounting policy.
- The Corporation has been managing Hotel Bharatpur Ashok and Kosi Restaurant owned by the Ministry of Tourism and the profit/loss in respect of these units is accounted for by the Corporation in the respective notes of statement of Profit & Loss Account.
- Company entered into an Agreement dt.19th February, 2002 with M/s Maruti Udyog Ltd.for renewal of Sub-Lease from 1st February, 2002 to 31st January, 2011 and another period of nine years thereafter subject to enhancement of rent in respect of the property comprising of Workshop cum Depot constructed on Plot No. C-119 Naraina Industrial Area Phase-I, New Delhi. As per terms of agreement the entire rent for a period of 9 years was paid by Maruti Udyog Ltd in advance. During the currency of the lease period, M/s Maruti Udyog Ltd. carried out additional construction in the said premises and in the process the Workshop cum Depot that had been let out was demolished and rendered extinct which was neither envisaged nor intended in the Sub-Lease Agreement. Therefore, a legal Notice dt. 14th June, 2010 was given to M/s 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 M/s Maruti Udyog Ltd filed a writ petition in H'ble Delhi High Court against the eviction and recovery applications of ITDC which has been dismissed by the Hon'ble High Court. Against the order of H'ble High Court Maruti Udyog Limited had filed an appeal before the Division Bench which was also simultaneously dismissed. Another Arbitration Petition had been filed by M/s Maruti Udyog Ltd. before Hon'ble High Court for appointment of Arbitrator. Hon'ble High Court vide its order dt 29.09.2011 appointed Arbitrator with certain directions against the aforesaid order. ITDC has filed writ petition praying for stay of Arbitration proceedings.The matter is pending before H'ble High Court. M/s Maruti Udyog Limited has also filed a writ petition against the order dated 29.09.2011 before the H'ble Supreme Court of India. Pending legal proceedings in the matter, the premises has not yet been vacated by M/s Maruti Udyog Ltd.

- The matter relating to determination of property tax in respect of 3 hotel properties in New Delhi was subjudice in the Hon'ble High Court of Delhi. During proceedings NDMC offered a basis for determination of property tax by assessing the hotel properties to which ITDC also agreed. Accordingly, the Hon'ble High Court vide its orders dated 19.10.2010 disposed off the said petition by directing NDMC to assess the property tax due from ITDC and ITDC to fully cooperate in the matter. Accordingly, The NDMC vide its assessment orders dated 31.03.2013(separate for each hotel) made the fresh assessment up to 31.03.2009 and gave a basis of

determination of property tax which was agreed by ITDC. In compliance to the assessment order, a provisional liability for property tax due for these hotels for the years up to 2008-09 have been worked out. Further, ITDC has adopted the same formula for determining the property tax for the years from 2009-10 to 2012-13. Although property tax assessment for these years has not been made. The Gross amount due for the years up to 2012-13 works out to ₹ 2,655.85 lakh(comprising of ₹ 2,050.66 lakh for the years up to 2008-09 and ₹ 605.19 lakh for the years 2009-10 to 2012-13). Further, the Corporation has already made provision of ₹ 1,704.25 lakh in the accounts as admitted liability/ agreed upon mutually agreed terms. The difference of ₹ 951.60 lakh has been provided for in the accounts of 2012-13. The amount of ₹ 270.00 lakh relating to transfer of fixed assets of erstwhile Akbar Hotel under package deal and as agreed by NDMC to adjust against the property tax dues, has now been adjusted from the dues payable to them.

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

(₹ in lakh)

a) Aggregate amount of Revenue recognised up to the reporting date	13,079.95
b) Aggregate cost incurred up to reporting date	11,755.81
c) Revenue recognised during the current financial year	572.51
d) Cost incurred during the financial year	523.50
e) Total amount of funds received up to the reporting date	17,179.81
f) Advance due to customers up to reporting Date	3,673.28
g) Advance due from Customers up to reporting Date	332.41

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

Key Management Personnels: -

1. Shri Shankersinh Vaghela
Part time Chairman cum Non-official
(Independent) Director
w.e.f. 13.06.2012 to 28.11.2012
2. Shri Girish Shankar
Managing Director
w.e.f. 23.04.2013
3. 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 to 23.04.2013
4. Shri P.K.Agarwal, Director (Finance)
w.e.f. 29.07.2010 to 28.09.2012.
5. Shri Ratan Kumar Okhandiar
Director (C&M)
w.e.f. 10.07.2012
6. Shri Trinath Behera
Director(Finance)
w.e.f. 26.4.2013

Payment made to key management personnels and their relatives.

(Amount in ₹)		
Particular	Current Year	Previous Year
Remuneration	43,26,577	36,60,435

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

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

11. Impairment of Assets

Impairment of Fixed Assets/ Capital work-in-progress at each Balance Sheet date and impairment loss, if any, ascertained as per Accounting Standard-28- 'Impairment of Assets' issued by the Institute of Chartered Accountants of India is recognised. As on 31st March, 2013, in the opinion of the Management except to the extent of loss recognised in respect of assets not in active use, capital work-in-progress including incomplete hotel project at Gulmarg, no such impairment loss warranting recognition/provision was noticed.

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

(₹ in lakh)

Name of the Provision	Balance as on 1.4.2012	Provided during the year relating to 2012-13	Provided during the year relating to 2011-12	Payments/ Adjustments during the year	Provision reversed/ written back	Closing Balance as on 31.3.2013
Income Tax	600.00	220.00	0.00	568.06	31.94	220.00
Wealth Tax	0.59	0.71	0.00	0.59	0.00	0.71

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

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

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Beer, Wine and Spirits	453.80	257.93
ii) Cigars and cigarettes	23.24	-
iii) Other items	-	-
Total	477.04	257.93

b) Expenditure in Foreign Currency :-

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Travelling	8.46	12.05
ii) Fees & Subscription	1.75	3.40
	10.21	15.45

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

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Boarding, Lodging and Other Facilities	829.21	1,146.93
ii) Sale of Goods at Duty Free Shops	1,115.00	868.41
iii) Gain in Foreign Exchange (net)	28.48	23.04
Total	1,972.69	2,038.38

(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 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.

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

Annexure “A” to Note No. 32 {Sl. No. 8}

Segment Reporting-AS-17

(₹ in lakh)

	Hotel/Restaurants Operations		Duty Free Shops Operations		Travels & Tours Operations		ARMS & Misc. Operations		Construction, Consultancy & SEL Projects		Others		Total for Company	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
PRIMARY DISCLOSURE (Operation-wise)														
1 Segment Revenue														
a) Total Revenue	25,084.71	25,791.91	1,135.17	918.15	11,812.94	10,330.83	3,141.39	2,355.00	1,149.12	1,077.80	2,533.79	2,421.79	44,857.11	42,895.48
b) Less Inter Segment Revenue	26.13	22.24	-	-	107.47	89.50	659.92	477.74	-	-	-	-	793.52	598.48
c) External Revenue	25,058.58	25,769.67	1,135.17	918.15	11,705.47	10,241.33	2,481.47	1,877.26	1,149.12	1,077.80	2,533.79	2,421.79	44,063.59	42,306.00
2. Segment Results														
Profit/(Loss) before Interest, Tax and Overheads	2,327.16	3,808.38	(279.42)	(159.92)	(117.18)	84.87	460.75	(17.79)	(1,195.59)	(886.24)	2,533.81	2,423.77	3,729.52	5,253.07
Less:- Allocable Corporate Overheads											3,181.47	3,048.86	3,181.47	3,048.86
Less: Interest	-	-	-	-	-	-	-	-	-	-	-	1.99	-	1.99
Less: Provision for Income Tax											220.00	600.00	220.00	600.00
Less: Provision for Wealth Tax											0.71	0.58	0.71	0.58
Less: Provision for Deferred Tax											59.60	747.73	59.60	747.73
Add: Provision for Income Tax for earlier year written back											(31.94)	-	(31.94)	-
Profit/(Loss) available for appropriation	2,327.16	3,808.38	(279.42)	(159.92)	(117.18)	84.87	460.75	(17.79)	(1,195.59)	(886.24)	(896.03)	(1,975.39)	299.68	853.91
3. Segment Assets (Current assets plus fixed assets & WIP and Investments)	15,960.94	16,590.20	662.84	714.83	2,518.21	2,739.83	1,164.57	1,183.97	924.77	1,161.33	33,036.73	33,737.25	54,268.06	56,127.41
4. Segment Liabilities	16,258.42	14,619.71	661.04	763.58	2,191.10	2,418.72	1,298.16	1,071.90	9,167.42	9,987.90	(3,977.97)	(1,049.85)	25,598.18	27,811.96
5. Depreciation & amortisation in respect of Segment Assets for the period	541.94	505.11	1.79	1.58	14.41	14.05	3.80	3.41	1.55	1.30	26.18	27.41	589.67	552.86
6. Cost incurred during the period to acquire Segment Assets (Tangible & intangible fixed assets)	309.80	370.51	1.94	3.44	2.98	9.44	3.01	11.33	0.47	1.12	13.97	18.43	332.17	414.27
7. Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment	1,550.93	1,121.16	3.32	18.12	102.43	105.89	66.28	246.33	119.49	250.44	230.22	198.93	2,072.67	1,940.87

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

Cash Flow Statement for the Year ended 31st March, 2013

(₹ in lakh)

Particulars		Year Ended 31.3.2013		Year Ended 31.3.2012
A Cash Flow from Operations				
Profit before Taxation		548.05		2,202.20
Adjustments for:				
Depreciation	589.47		552.86	
Diminution in value of Fixed Assets/Investments	-		(1.19)	
Deferred Government Grant	(4.84)		(0.60)	
Finance Charges	-		1.99	
Provision for Inventory Write-down	1.23		3.87	
Provision for Doubtful Debts & Advances	570.85		581.14	
Interest Income	(2,395.99)		(2,292.82)	
Bad Debts/Advances Written Off	16.07		1.53	
(Profit)/Loss on Sale of Fixed Assets	1.59	(1,224.80)	(5.01)	(1,148.21)
Operating Profit before Working Capital Changes		676.75		1,053.99
(Increase)/Decrease in Current Assets				
Inventories	90.77		23.01	
Trade Receivables	634.02		(2,566.63)	
Other Current Assets	(107.20)		(809.91)	
Other Non-current Assets	(1.49)		(38.83)	
Long-term Loans and Advances	(33.97)		4.18	
Short-term Loans and Advances	(688.68)	107.85	(1,460.02)	(4,848.20)
Increase/(Decrease) in Current Liabilities				
Trade Payables	(897.54)		(380.95)	
Other Current Liabilities	(94.21)		(1,923.78)	

(₹ in lakh)

Particulars		Year Ended 31.3.2013		Year Ended 31.3.2012
Other Long Term Liabilities	336.64		(96.87)	
Long Term Provision	(737.21)		975.72	
Short Term Provision	56.84	(1,335.48)	289.08	(1,136.80)
Cash Inflow/(Outflow) from Operations		(1,904.38)		(4,931.01)
Direct Taxes Paid	-		-	
Income Tax Paid	600.00		-	
Income Tax for Earlier years Written Back	(31.94)	568.06	-	-
Net Cash Inflow/(Outflow) from Operation (A)		(2,472.44)		(4,931.01)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets		(332.18)		(414.27)
Sale of Fixed Asset and Adjustments		87.76		12.62
Income from Interest/Dividends		2,395.99		2,292.82
Reduction/(Addition) of Work-in-Progress		177.21		1,878.37
(Increase)/Decrease in Investments		3.13		0.04
Net Cash Inflow/(Outflow) from Investing Activities (B)		2,331.91		3,769.58
C Cash Flow from Financing Activities				
Increase in Share Capital		-		-
Increase/(Decrease) in Borrowings		-		-
Finance Charges		-		(1.99)
Wealth Tax Paid		(0.58)		(0.61)
Dividend Paid		(428.85)		-
Dividend Tax Paid		(69.57)		-
Deferred Government Grant		-		-

(₹ in lakh)

Particulars		Year Ended 31.3.2013		Year Ended 31.3.2012
Net Cash Inflow/(Outflow) from Financing Activities (C)		(499.00)		(2.60)
Net Change in Cash or Cash Equivalents during the Year		(639.52)		(1,164.03)
Cash and Cash Equivalents at the beginning of the year*		25,819.56		26,983.59
Cash and Cash Equivalents at the end of the year*		25,180.04		25,819.56

* For details refer Note-18

(V.K. Jain)
Company Secretary

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

(Trinath Behera)
Director (Finance)

(Girish Shankar)
Managing Director

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

Date : 4th September, 2013
Place : New Delhi

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

Consolidated Accounts for the Year 2012-13

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the attached Consolidated Balance Sheet of India Tourism Development Corporation Limited ("the company"), and its Subsidiaries and Joint Ventures (hereinafter referred to as "Group"), as at March 31, 2013 and the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

We did not audit the financial statements of the following Subsidiaries and Joint Ventures of the Company, whose financial statements reflect Total Assets of ₹ 25,87,81,919.76 as at 31st March, 2013, Total Revenue of ₹ 20,37,21,588.55 and Net Cash Flows amounting to ₹ 25,92,502.85 for the year ended 31st March, 2013. These financial statements have been audited by other Auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of Subsidiaries and Joint Ventures, is based solely on the reports of the other Auditors. The details of Assets, Revenues and Net Cash Flows in respect of these Subsidiaries and Joint Ventures to the extent to which they are reflected in the Consolidated Financial Statements are given below:

(Amount in ₹)

Name of the Company	Total Assets	Total Revenues	Net Cash Flows
Subsidiary Companies			
Madhya Pradesh Ashok Hotel Corporation Ltd.	7,44,99,429.09	6,65,94,343.20	71,38,025.48
Utkal Ashok Hotel Corporation Ltd.	2,52,81,772.25	-	(4,08,792.00)
Assam Ashok Hotel Corporation Ltd.	4,83,95,803.94	7,39,55,201.35	(41,40,191.89)
Donyi Polo Ashok Hotel Corporation Ltd.	3,01,62,266.14	2,25,92,859.00	(6,24,329.64)
Ranchi Ashok Bihar Hotel Corporation Ltd.	1,79,38,259.75	2,28,27,796.00	(39,08,059.10)
Pondicherry Ashok Hotel Corporation Ltd.	2,63,58,838.00	1,77,50,639.00	(45,36,000.00)

Punjab Ashok Hotel Company Ltd.	2,75,96,867.39	750.00	(150.00)
Joint Ventures			
ITDC Aldeasa India Private Ltd.	85,48,683.20	-	-
Total	25,87,81,919.76	20,37,21,588.55	25,92,502.85

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

Basis for Qualified Opinion

- i) *Lease charges in respect of land of Hotel Samrat not having been amortised over the lease period or over the reasonable period, as required by AS-6 on 'Depreciation Accounting'. In absence of the supporting documents, its effect on the accounts is indeterminate. [Refer Note No. 11].*
- ii) *There are demands of ₹ 536.65 lakh (Previous Year ₹ 510.19 lakh) from ESI authorities in respect of ESI dues, which are being disputed by the Corporation and not provided for. 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 (Refer Note No. 31(F)).*
- iii) *The Corporation is due ₹ 1,413.96 lakh as at 31.03.2013 (₹ 1,377.85) lakh upto 31.03.2012) 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 31.03.2013 of ₹ 759.70 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. The adjustment that may arise cannot be quantified at this stage. (Refer Note Nos. 17(1) & 14A(1)).

Qualified Opinion

In our opinion 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, 2013;
- 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.

Emphasis of matter

Without qualifying our opinion, we further report that:

- 1) Non-disclosure of complete details pertaining to transactions entered into during the year with related parties-Accounting Standard-18-Related Party Disclosure.
- 2) Non-disclosure of details required in respect of operating leases entered into by the Corporation. [Point No.10 of General Note 32] - Accounting Standard-19 - Leases.
- 3) The Vigyan Bhawan provided ₹ 4 lakh for electricity and water charges, since the inception of the unit is ₹ 55.34 lakh payable to Directorate of Estate is subject to confirmation. In the absence of the requisite details thereof and the supporting documents, we cannot comment thereon.

- 4) The Hotel Janpath has accumulated total liability of ₹ 78.51 lakh towards annual lease payable @ ₹ 4.09 lakh to the Ministry of Tourism. We are unable to comment on the additional financial burden on the unit in the future due to non-availability of supporting documents.
- 5) The personnel staff employed by the Samrat Hotel and Janpath Hotel is not equipped with the latest information technology, changes in tax law of the country, standards prescribed by the professional bodies and the other corporate and legal changes required for the day to day functioning of the unit.
- 6) 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]
- 7) In respect of Ashok Hotel, as per the Rule 6(3A) of Cenvat Credit Rules, 2004 the unit was required to make short payment of amount if any, equal to the proportionate Cenvat credit attributable to the exempted output service provided during the year up to 30th June, 2013. The unit has not yet made the final assessment of the amount payable, if any, as a consequence of which the unit might be liable to pay interest @ 24% p.a. up to the date of actual payment;
- 8) The Ashok Hotel has calculated consumption of stock and stores, crockery, cutlery, glassware and linen by taking opening balances, purchases and closing balances. The value of losses/shortages/wastages has not been accounted separately.
- 9) In Ashok Hotel, instances of violation of the laid down terms and conditions of the licence agreement by licensee Mayer Health Resorts Limited. The licensee is in unauthorized occupation of premises beyond the prescribed limits as stipulated in the agreement

for which the Unit management has taken steps for recovery based on the joint measurement done in the year. However, in respect of occupation done after the said date no steps have been taken either for removal of unauthorized changes or for the recovery of the charges.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
- d) *Except for the matter described in the Basis for Qualified Opinion*, in our opinion, the Balance Sheet, Statement of Profit & Loss comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) Provisions of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 are not applicable to the Government Company in terms of GSR 829(E) dated 21st October, 2003 issued by Government of India, Department of Company affairs.

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

Place: New Delhi
Date: 4th September, 2013

Vivek Kumar
(Partner)
M. No. 503826

Consolidated Balance Sheet as at 31st March, 2013

		(₹ in lakh)	
Particulars	Note	As at 31.3.2013	As at 31.3.2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share Capital	2	8,576.94	8,576.94
Reserves and Surplus	3	20,295.18	19,989.97
Money Received against Share Warrants		-	-
Deferred Government Grants		8.91	14.30
		255.34	267.98
2. Minority Interest			
3. Non-Current Liabilities			
Long-Term Borrowings	4	508.98	490.42
Other Long-Term Liabilities	6	880.80	544.16
Long-Term Provisions	7	4,943.33	5,594.75
		6,333.11	
4. Current Liabilities			
Short-Term Borrowings	8	-	-
Trade Payables	9	5,299.41	6,163.68
Other Current Liabilities	10	15,738.43	15,771.99
Short-Term Provisions	7	765.96	1,625.59
		21,803.80	
TOTAL		57,273.28	59,039.78
II. ASSETS			
1. Non-current Assets			
Fixed Assets			
Tangible Assets in Active Use	11	6,738.93	7,073.80
Tangible Assets Not in Active Use	11A	11.14	9.63
Intangible Assets	12	47.74	28.48
Capital Work-in-Progress	12A	442.64	592.32
Non-Current Investments	13	-	-
Deferred Tax Assets (Net)	5	2,490.92	2,537.79
Long-Term Loans and Advances	14	365.63	330.44
Other Non-Current Assets	15	41.46	73.39
		10,138.46	
2. Current Assets			
Inventories	16	1,082.14	1,171.65
Trade Receivables	17	10,282.14	11,342.63
Cash and Cash Equivalents	18	25,712.78	26,381.54
Short-Term Loans and Advances	14A	8,266.17	7,593.15
Other Current Assets	19	1,791.59	1,904.96
		47,134.82	
TOTAL		57,273.28	59,039.78

Significant Accounting Policies

1

Note Nos. 1 to 32 form an integral part of these Financial Statements

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

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

Date : 4th September, 2013
Place : New Delhi

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

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2013

		(₹ in lakh)	
Particulars	Note	Year Ended 31.3.2013	Year Ended 31.3.2012
REVENUE			
I. Revenue from Operations	20		
Sales of products		9,844.85	9,673.75
Sales of services		32,858.69	31,697.85
Other operating revenues		239.05	241.54
		42,942.59	
II. Other Income	21	3,100.86	2,578.77
III. TOTAL REVENUE (I+II)		46,043.45	44,191.91
EXPENSES			
Cost of materials consumed & services rendered	22	4,474.18	4,330.31
Purchase of stock-in-trade	23	1,565.16	1,527.96
Changes in inventories of finished goods and stock-in-trade	24	54.22	(24.47)
Employees' Remuneration & Benefits	25	15,602.63	14,845.68
Finance Costs	26	20.72	22.44
Depreciation and amortization expense	11&12	649.23	609.65
Less: Attributed to the Projects		(0.27)	(0.27)
Operating Expenses & Other Expenses	27	23,082.50	20,931.39
IV. TOTAL EXPENSES		45,448.37	42,242.69
V. Profit/(Loss) Before Exceptional, Extraordinary Items and Prior Period Adjustments (III-IV)		595.08	1,949.22
VI. Exceptional Items	28	(191.84)	(330.84)
VII. Profit/(Loss) Before Extraordinary Items and Prior Period Adjustments (V-VI)		786.92	2,280.06
Prior Period Adjustments	29		67.12
Prior Period Income		(16.99)	138.39
Prior Period Expenses/Adjustments		188.60	
		(205.59)	
VIII. Profit/(Loss) Before Extraordinary Items		581.33	2,208.79
IX. Extraordinary Items		-	-
X. Profit/(Loss) Before Tax(PBT) (VIII-IX)		581.33	2,208.79
XI. Tax Expense of continuing operations:			
Current Tax (Income Tax)		(268.89)	(649.56)
Tax written Back (Previous Year)		27.71	8.50
Current Tax (Wealth Tax)		(0.71)	(0.58)
MAT credit Entitlement		-	-
Deferred Tax	5	(46.87)	(740.04)
		(288.76)	
XII. Profit/(loss) for the period from continuing operations (X-XI)		292.57	827.11
XIII. Profit/(loss) from discontinuing operations		-	-
XIV. Tax expense of discontinuing operations		-	-
XV. Profit/ (loss) from discountinuing oprations (after Tax) (XIII-XIV)		-	-
XVI. Profit/ (loss) for the period [Profit After Tax (PAT)] (XII+XV)		292.57	827.11
Less: Profit/(Loss) attributable to Minority Interest		(12.64)	(12.90)
AMOUNT AVAILABLE FOR APPROPRIATION		305.21	840.01
XVII. Earnings per equity share in ₹	30	0.36	0.98
(1) Basic &			
(2) Diluted			

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

Date : 4th September, 2013
Place : New Delhi

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

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

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.	92
Name of the Joint Venture	Share % of Profit/Losses
ITDC Aldeasa India Private Ltd.	50

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

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

(Amount in ₹)		
Particular	Current Year*	Previous Year
Fixed Assets	NIL	NIL
Current Assets	42,74,342/-	46,15,968/-
Current Liabilities	2,89,28,291/-	2,89,35,315/-
Provisions- Income Tax	NIL	NIL
Accumulated Losses	2,47,03,949/-	2,46,82,691/-
Income	NIL	NIL
Expenses- Operating & others	21,257/-	70,748/-
Prior Period Expenses	NIL	50,000/-
Loss before Tax	21,257/-	1,20,149/-
Net loss after Tax	21,257/-	1,20,149/-

* The joint venture ITDC Showtime Consortium (Partnership) has been dissolved during 2012-13, hence the current year figures pertain to ITDC Aldeasa India Private Limited only.

Significant Accounting Policies

1. Accounting Convention

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

2. Use of Estimates

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions in respect of certain items that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of income and expenses during the

reporting period. Actual results/outcome could differ from estimates. Any revision in accounting estimates is recognized prospectively in the period in which such results do materialize.

3. Disputed Income Tax and Sales Tax Demands

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

4. Fixed Assets and Depreciation

A) Fixed Assets

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

B) Depreciation

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

- On fixed assets existing as on 31.3.1987, at the rates already adopted in earlier years.*
- On addition in the Fixed Assets during the period from 01.04.1987 to 15.12.1993, at the pre-revised

rates as per the Schedule XIV of the Companies Act, 1956.**

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

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

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

**** Assets costing ₹ 5,000/- and below are charged 100% Depreciation except 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

- 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.
- 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

- 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.
- 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.

- 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

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

- 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).
- 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.

- 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

- 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.
- 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

- 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.

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

13) Foreign Currency Transactions

a) Transactions in Foreign Exchange

i) Initial Recognition

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

ii) Conversion

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

iii) Exchange Differences

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

b) Money Changing Business

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

ii) Foreign currency balances as at

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

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

14) Borrowing Costs

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

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

15) Prior Period/Extraordinary Items

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

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

16) Claims

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

Share Capital

Note - 2

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

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
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 31.3.2013	As at 31.3.2012
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 31.3.2013	As at 31.3.2012
	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 31.3.2013		As at 31.3.2012	
Name of the Shareholder	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 31.3.2013	As at 31.3.2012
Capital Reserve		
As per Last Balance Sheet	62.98	62.98
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	14,460.40	14,110.40
Add/(Less): Current Year Adjustments	300.00	350.00
Closing Balance	14,760.40	14,460.40
Surplus in the Statement of Profit & Loss		
As per Last Balance Sheet	(8.41)	
Transfer From Profit & Loss Accounts	305.21	840.01
Surplus For The Year	296.80	840.01
Appropriations/Adjustments:		
Proposed Dividend	-	428.85
Dividend Tax	-	69.57
Transfer to General Reserve	300.00	350.00
Closing Balance	(3.20)	
GRAND TOTAL	20,295.18	19,989.97

Long-Term Borrowings

Note - 4

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(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 mortgage of present/ future immovable and movable properties, machineries, tools, accessories and other fixed assets of the Ranchi Ashok Bihar Hotel Corporation Ltd. except book debts. Promoters guarantees shall rank pari passu with the mortgaged and charges created/ to be created.)	196.05	
Secured Loan from Assam Industrial Development Corporation Ltd.		
Principal Amount	90.00	90.00
Interest accrued and due including penal interest	222.93	204.37
(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)	312.93	
Unsecured		
(D) LOANS AND ADVANCES FROM RELATED PARTIES		
Secured	-	-
Unsecured	-	-
(E) PUBLIC DEPOSITS (UNSECURED)	-	-
(F) LONG-TERM MATURITIES OF FINANCE LEASE OBLIGATIONS (SECURED BY HYPOTHECATION OF MACHINERY TAKEN ON FINANCE LEASE)	-	-
TOTAL	508.98	490.42

Deferred Tax Assets (Net)

Note - 5

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
DEFERRED TAX LIABILITIES	35.88	57.34
DEFERRED TAX ASSETS	2,526.80	2,595.13
DEFERRED TAX ASSETS (Net)	2,490.92	2,537.79

Accounting for Taxes on Income -

Accounting Standard - 22 - Deferred Tax:

The major components of Deferred Tax Asset (net)
as on 31.3.2013 are given below:-

(₹ in lakh)

Particulars	31.3.2013	31.3.2012
DEFERRED TAX LIABILITIES		
Depreciation	700.54	685.11
DEFERRED TAX ASSETS		
Carried forward business loss	119.18	244.65
Provision for Gratuity	449.86	783.88
Provision for Doubtful Debts & Advances & Inventory write down	1,290.57	1,055.83
Provision for Leave Encashment	45.03	38.05
Municipal Taxes	-	0.46
Disallowances under Income Tax Act, 1961	1,286.82	1,100.03
	3,191.46	3,222.90
DEFERRED TAX ASSET (NET)	2,490.92	2,537.79

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 31.3.2013 has been recognised in the financial statements.

Other Long-Term Liabilities

Note - 6

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
Security Deposit & Retention Money	880.80	544.16
Total	880.80	544.16

Provisions

Note - 7

(₹ in lakh)

Particulars	As at 31.3.2013			As at 31.3.2012		
	Long Term	Short Term	Total	Long Term	Short Term	Total
Employee Benefits						
Gratuity	7,030.65	1,187.79	8,218.44	6,381.72	1,075.91	7,457.63
Less:- Fund size of Investment as per Gratuity Policy	(5,642.00)	(1,187.79)	(6,829.79)	(3,963.35)	(1,075.91)	(5,039.26)
Leave Encashment	3,553.31	494.34	4,047.65	3,181.73	426.23	3,607.96
Less:- Fund size of Investment as per Policy	(40.21)	(4.10)	(44.31)	(37.35)	(1.42)	(38.77)
Sick Leave	41.58	6.12	47.70	32.00	12.04	44.04
	4,943.33	496.36	5,439.69	5,594.75	436.85	6031.60
Income Tax						
Provision for Income Tax	-	268.89	268.89	-	689.74	689.74
	-	268.89	268.89	-	689.74	689.74
Wealth Tax						
Provision for Wealth Tax	-	0.71	0.71	-	0.58	0.58
	-	0.71	0.71	-	0.58	0.58
Proposed Dividend						
Proposed Dividend	-	-	-	-	428.85	428.85
Dividend Tax	-	-	-	-	69.57	69.57
	-	-	-	-	498.42	498.42
TOTAL	4,943.33	765.96	5,709.29	5,594.75	1,625.59	7220.34

Short-Term Borrowings

Note - 8

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(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 31.3.2013	As at 31.3.2012
Current		
Trade Payables	5,299.41	6,163.68
TOTAL	5,299.41	6,163.68

Other Current Liabilities

Note - 10

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
Due To ITDC Limited		
- Project Division	-	-
- ITDC LTD (HQ)	-	-
BSTDC/PTDC	25.10	22.92
Interest accrued but not due on borrowings	5.87	5.87
Interest accrued and due on borrowings	-	-
Sundry Creditors (Other Than Trade Payable)	4,638.27	3,589.99
Security Deposits & Retention Money	2,781.13	2,841.68
Advances From Customers	6,224.08	6,545.44
Other Liabilities	2,063.98	2,766.09
TOTAL	15,738.43	15,771.99

Sundry creditors include unlinked receipts from customers etc. of ₹ 55.73 lakh (P.Y ₹ 75.36 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 25.07.2010. The Corporation has further paid/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. 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)

		Gross Block			Depreciation			Impairment			Net Carrying Amount				
Sl. No.	Description	Up To 31.03.2012	Addition during the year	Add/Less: Sales, Transfer, Write Offs and Adjustments during the year	Up To 31.03.2013	Up To 31.03.2012	Provided during the year	Add/(Less): Sales, Transfer, Write Offs and Adjustments during the year	Up To 31.03.2013	As at 31.03.2012	Reversed during the year	Provided during the year	Up To 31.03.2013	As at 31.03.2013	As at 31.03.2012
1.	Land														
	Owned (FreeHold)	26.25	-	-	26.25	2.24	-	-	***2.24	-	-	-	-	24.01	24.01
	Leased	335.00	-	-	335.00	34.56	1.05	-	*35.61	-	-	-	-	299.39	300.44
2.	Buildings - Owned	3,540.73	46.32	(13.89)	**3,573.16	1,683.53	62.84	1.54	1,747.91	-	-	-	-	1,825.25	1,857.20
3.	Plant & Equipment - Owned	7,304.96	225.58	128.60	7,659.14	4,351.83	332.87	(40.24)	4,644.46	-	-	-	-	3,014.68	2,953.13
4.	Furniture & Fixtures - Owned	3,088.09	41.91	(59.88)	3,070.12	2,056.49	125.16	(48.70)	2,132.95	-	-	-	-	937.17	1,031.60
5.	Vehicles - Owned	199.01	-	(0.37)	198.64	125.79	14.81	(0.98)	139.62	-	-	-	-	59.02	73.22
6.	Office Equipments - Owned	1,742.97	82.89	(300.91)	1,524.95	908.77	88.25	(51.48)	945.54	-	-	-	-	579.41	834.20
	Total	16,237.01	396.70	(246.45)	16,387.26	9,163.21	624.98	(139.86)	9,648.33	-	-	-	-	6,738.93	7,073.80
	Previous Year's total	15,778.42	515.63	(57.04)	16,237.01	8,601.58	597.12	(35.49)	9,163.21	-	-	-	-	7,073.80	-

* 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 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 ₹ 1,624.52 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 1,842.75 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		
	Up to 31.3.2012	Addition during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2013	Up to 31.3.2012	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2013	Depreciated Value as on 31.3.2013	Net Realisable Value as on 31.3.2013	Balance Provided For
A. Net Realisable Value is more than Depreciated Value											
Plant & Equipment-Owned	86.22	6.47	-	92.69	80.61	5.52	-	86.13	6.56	6.56	-
Furniture & Fixtures-Owned	21.29	1.26	-	22.55	20.23	1.20	-	21.43	1.12	1.12	-
Vehicles-Owned	3.93	-	-	3.93	3.74	-	-	3.74	0.19	0.19	-
Office Equipments-Owned	10.00	1.25	-	11.25	9.08	0.74	-	9.82	1.43	1.43	-
Total-A	121.44	8.98	-	130.42	113.66	7.46	-	121.12	9.30	9.30	-
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
Furniture & Fixtures-Owned	5.78	-	-	5.78	5.01	-	-	5.01	0.77	0.14	0.63
Vehicles-Owned	0.01	-	-	0.01	0.01	-	-	0.01	-	-	-
Office Equipments-Owned	4.89	-	-	4.89	2.79	-	-	2.79	2.10	0.02	2.08
Total-B	39.90	-	-	39.90	27.60	-	-	27.60	12.30	1.84	10.46
Total (A+B)	161.34	8.98	-	170.32	141.26	7.46	-	148.72	21.60	11.14	10.46
Previous Year	175.02	3.01	16.69	161.34	152.41	2.86	14.01	141.26	20.09	9.63	10.46

Fixed Assets-Intangible

Note - 12

(₹ in lakh)

		Gross Carrying Amount				Accumulated Amortisation		Accumulated Impairment				Net carrying Amount			
Sl. No.	Description	As at 31.03.2012	Addition during the year	Add/(Less): Adjust-ment during the year	As at 31.03.2013	As at 31.03.2012	Provided during the year	Add/(Less): Adjust-ment during the year	As at 31.03.2012	As at 31.03.2012	Reversed during the year	Provided during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
1.	Goodwill														
2.	Brands/Trade Marks														
3.	Computer Software														
-	Acquired	52.39	43.42	0.70	96.51	23.91	24.25	0.61	48.77	-	-	-	-	47.74	28.48
-	Internally Generated														
4.	Mastheads														
5.	Mining Rights														
6.	Copyrights														
-	Acquired														
-	Internally Generated														
7.	Patents														
-	Acquired														
-	Internally Generated														
	Total	52.39	43.42	0.70	96.51	23.91	24.25	0.61	48.77	-	-	-	-	47.74	28.48
	Previous Year's total	37.30	15.21	(0.12)	52.39	11.35	12.53	0.03	23.91	-	-	-	-	28.48	-

Capital Work-in-Progress

Note - 12A

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
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	457.24	600.77
II) Expenses Attributable on Projects Pending Allocation	196.87	168.60
III) Capital Goods-in-Hand & in Transit	7.38	38.54
	661.49	807.91
Less:- Provision for Impairment	(218.85)	(215.59)
TOTAL	442.64	592.32

(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	168.60	210.94
Add:-		
Other Project Overheads	46.68	44.92
Depreciation/Amortisation of Lease	0.26	2.14
Less: Capitalised during the year	18.67	89.40
Closing Balance	196.87	168.60

Non-Current Investments

Note - 13

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
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 31.3.2013	As at 31.3.2012
(A) Security Deposits		
Secured, considered good	1.89	0.89
Unsecured, considered good	202.77	168.58
Doubtful	25.76	25.76
Less: Allowance for bad and doubtful advances	(25.76)	(25.76)
Total (A)	204.66	169.47
(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)]	365.63	330.44

Short Term Loans & Advances

Note - 14A

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(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	8.81	8.88
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (B)	8.81	8.88
(C) Others (Specify)		
Secured, considered good	0.99	1.56
Unsecured, considered good	2,072.77	2,074.96
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
Total (C)	2,073.76	2,076.52
(D) Advance Income Tax and Tax Deducted at Source	5,972.22	5,294.87
Total (D)	5,972.22	5,294.87
(E) Sales Tax paid in Advance	3.38	4.88
Total (E)	3.38	4.88
TOTAL [(A)+(B)+(C)+(D)+(E)]	8,266.17	7,593.15

1. Loans & Advances include the following:-

(₹ in lakh)

Particulars	Current Year	Previous Year
Advances due from Directors and officers of the Corporation	10.61	8.88
Maximum amount due from Directors and Officers of the Corporation during the year	33.90	15.40

- 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.
- 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) and estimated lower realisability of debts and advances, amounting to ₹ 118.37 lakh (Previous Year ₹ 77.92 lakh).

Other Non-Current Assets

Note - 15

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(A) Long-Term Trade Receivables Other Than Current (including trade receivables on deferred credit terms)		
Secured, considered good	9.41	-
Unsecured, considered good	31.63	71.92
Doubtful	3,384.12	2,782.36
Less: Allowance for bad and doubtful advances	(3,384.12)	(2,782.36)
Total (A)	41.04	71.92
(B) Others		
Secured, considered good	-	-
Unsecured, considered good	0.42	1.47
Doubtful	447.96	405.79
Less: Allowance for bad and doubtful advances	(447.96)	(405.79)
Total (B)	0.42	1.47
TOTAL [(A)+(B)]	41.46	73.39

Inventories

Note - 16

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
(As per inventories prepared, valued and certified by the Management at lower of the cost or net realisable value)		
Stores and Spares	278.08	272.70
Tools	0.54	0.67
Crockery, Cutlery, Glassware and Linen etc. (in hand and in use)	280.64	285.10
Other Stocks and Stores (Others)	556.66	653.67
Less: Provision for Inventory Write Down	33.78	40.49
Total	1,082.14	1,171.65

Trade Receivables

Note - 17

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
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	58.64	201.45
(ii) Unsecured, considered good	4,785.90	4,192.07
(iii) Doubtful	16.80	194.59
Less: Allowance for bad and doubtful debts	16.80	194.59
TOTAL (A)	4,844.54	4,393.52
(B) Trade Receivables (others)		
(i) Secured, considered good	401.10	314.86
(ii) Unsecured, considered good	5,036.50	6,634.25
(iii) Doubtful	26.75	-
Less: Allowance for bad and doubtful debts	26.75	-
TOTAL (B)	5,437.60	6,949.11
TOTAL {A+B}	10,282.14	11,342.63

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 31.3.2013	As at 31.3.2012
(A) Cash on hand		
Cash on hand	33.37	25.27
(B) Balances with Banks		
In Current Account	3,047.80	2,825.64
In Savings Account	-	-
Provision for Doubtful Recovery	-	(1.23)
(C) Cheques, Drafts in hand		
Cheques on hand	376.30	305.43
Drafts in hand	-	-
(D) Other Bank Balances		
Term deposits with Banks for less than 12 months	22,197.65	23,086.07
Term deposits with Banks for more than 12 months*	57.66	108.44
(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
TOTAL	25,712.78	26,381.54

* include FDRs of ₹ 35.95 lakh (Previous year ₹ 31.91 lakh) lodged as security

Other Current Assets

Note - 19

(₹ in lakh)

Particulars	As at 31.3.2013	As at 31.3.2012
Interest accrued but not due on Term Deposits	1,004.47	1,054.64
Others	787.12	850.32
Less: Allowance for bad and doubtful advances	-	-
TOTAL	1,791.59	1,904.96

Note:-

Others include FDR of ₹ 1.58 lakh deposited with RPFC Jaipur.

Revenue from Operation

Note - 20

(₹ in lakh)		
Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Sales of Products (A)		
Food	6,326.68	6,113.30
Beer, Wine & Spirits	1,904.06	1,865.26
Cigars and Cigarettes	136.39	197.99
Soft Drinks	281.52	332.23
Petrol, oil & Lubricant	1,030.15	1,030.04
Tourist Literature and Other Publications	68.09	51.80
Miscellaneous Sales	97.96	83.13
TOTAL (A)	9,844.85	9,673.75
Sales of Services (B)		
Room Rent	12,202.65	13,155.97
Licence Fees	4,740.86	4,222.82
Banquet Hall/Lawn Rental	1,051.71	1,305.41
Traffic Earnings & Package Tours	1,458.04	1,351.48
Travel Services	9,155.71	7,798.11
Management/Consultancy/Event Management/Traning Fees	2,547.46	1,976.75
Revenue From execution of Project	626.95	732.17
Son-et-Lumiere & Cultural Shows	87.29	93.52
Commission Received	37.80	46.76
Electricity Charges	405.35	445.25
Telephone Services	17.17	7.40
Advertisement income	154.84	156.51
Service Charges	372.86	405.70
TOTAL (B)	32,858.69	31,697.85
Other Operating Revenues (C)		
Miscellaneous Income	239.05	241.54
TOTAL (C)	239.05	241.54
TOTAL (A)+(B)+(C)	42,942.59	41,613.14

Note:-

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

Other Income

Note - 21

(₹ in lakh)		
Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Other Income		
Interest (Gross) From- Banks/ Financial Institutions	2,397.03	2,305.04
Loan to Employees	0.68	0.80
On Income Tax Refund	10.78	20.92
Others	25.04	0.33
Profit on Sale of Assets	3.14	0.96
Gain on Foreign Exchange Variation	33.30	28.33
Grant from the Ministry of Tourism	0.89	1.14
Others	630.00	221.25
TOTAL	3,100.86	2,578.77

Note:-

Out of the balance amount of ₹ 14.30 lakh (Previous Year ₹ 15.44 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 5.39 lakh incurred during the year has been charged to the respective head of expenditure. The amount equivalent to the grant related cost incurred during the year has accordingly been recognised as income. The balance of ₹ 8.91 lakh (Previous Year ₹ 14.30 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 31.3.2013	Year Ended 31.3.2012
(A) Cost of Consumption of Raw Materials, Other Materials Sold and Service Rendered		
i) Provisions, Beverages & Smokes		
Opening Stock	77.56	70.97
Add:- Purchases & Adjustments	2,325.10	2,155.56
Less:- Transfer & Adjustments	330.26	220.15
Closing Stock	104.13	77.56
TOTAL (i)	1,968.27	1,928.82
ii) Wine & Liquors		
Opening Stock	227.65	247.76
Add:- Purchases & Adjustments	210.20	415.26
Less:- Transfer & Adjustments	34.21	93.05
Closing Stock	157.74	227.65
TOTAL (ii)	245.90	342.32
iii) Other Material		
Opening Stock	-	1.89
Add:- Purchases & Adjustments	50.64	42.04
Less:- Transfer & Adjustments	-	1.89
Closing Stock	-	-
TOTAL (iii)	50.64	42.04
TOTAL (i+ii+iii) (A)	2,264.81	2,313.18
(B) Cost of Service Rendered/Purchased:-		
Execution of Project	524.82	644.36
Other Services	1,698.12	1,383.71
TOTAL (B)	2,222.94	2,028.07
TOTAL (A)+(B)	4,487.75	4,341.25
Less: Charged to the Ministry of External Affairs	13.57	10.94
GRAND TOTAL	4,474.18	4,330.31

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 31.3.2013	Year Ended 31.3.2012
i) Provisions, Beverages & Smokes	35.84	109.39
ii) Wine & Liquors	498.26	370.56
iii) Other Material	1,031.06	1,048.01
TOTAL	1,565.16	1,527.96

Change in Inventory of Traded Goods

Note - 24

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
OPENING 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
CLOSING STOCK		
i) Provisions, Beverages & Smokes	2.33	36.94
ii) Wine & Liquors	260.20	240.40
iii) Other Material	31.73	71.15
TOTAL	294.26	348.49
CHANGE IN INVENTORY	54.22	(24.47)
TOTAL	54.22	(24.47)

Employees' Remuneration and Benefits

Note - 25

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Salaries, Wages & Bonus	12,728.51	12,133.49
Employer's Contribution to Provident & Other Funds	1,026.81	1,029.68
Staff Welfare Expenses (Including contribution to Staff Welfare Fund)	845.99	936.16
Uniform	56.13	63.87
Provision/Contribution to Employees' Gratuity Scheme (net)	1,175.53	896.58
	15,832.97	15,059.78
Less:-		
Charged to the Project of the Ministry of Tourism	61.92	47.46
Charged to the Project of the Ministry of External Affairs	168.42	166.64
TOTAL	15,602.63	14,845.68

Note:-

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

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

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

(₹ in lakh)

Particulars	Gratuity	Leave Encashment	Half Pay Leave
Fair value of Defined Obligation			
Present value of projected benefit obligation as at 1.04.2012	7,457.63	3,607.96	44.05
Current service cost	324.67	180.20	5.97
Interest cost	595.26	288.04	3.52
Acturial gain(-) / losses (+)	747.93	(25.20)	(5.84)
Past service cost	-	-	-
Benefits paid	(907.05)	(3.35)	-
Present value of projected benefit obligation as on 31.03.2013	8,218.44	4,047.65	47.70
Reconciliation of fair value of Assets and obligations			
Fair value of plan assets as on 1.04.2012	5,039.26	38.77	-
Acquisition adjustment	-	-	-
Expected return on plan assets	475.56	3.16	-
Actual Company's contribution	2,301.84	2.98	-

(₹ in lakh)

Particulars	Gratuity	Leave Encashment	Half Pay Leave
Acturial gain(-) / losses(+)	16.76	0.12	-
Benefits paid/ adjustments	(1,003.64)	(0.72)	-
Fair value of plan assets as on 31.03.2013	6,829.78	44.31	-
Present value of defined obligation	8,218.44	4,047.65	47.70
Net liability recognised in the Balance Sheet (Note-7)	1,388.66	4,047.65	47.70
Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2013			
Current service cost	324.67	174.20	5.97
Interest cost	595.26	284.53	3.52
Acturial gain(-) / losses (+)	731.16	(19.48)	(5.84)
Past service cost	-	-	-
Expected return on plan assets	(475.56)	(3.16)	-
Employees remuneration & benefit charged to Profit & Loss A/c-			
a) Gratuity	1,175.53	-	-
b) Others	-	436.09	3.65
Gratuity Fund Investment details (Fund manager wise, to the extent funded)			
Life Insurance Corporation of India	1,978.58	44.31	-
Life Insurance Corporation of India	1,945.90	-	-
Metlife Traditional Fund	484.40	-	-
Metlife Unit Linked	247.65	-	-
AVIVA Life Insurance Company India Ltd.	531.97	-	-
HDFC Standard Life Insurance	269.03	-	-
Birla Sun-life Insurance Fund	571.38	-	-
Future Generali India Fund	800.88	-	-
Total	6,829.79	44.31	-
Acturial assumption			
Discount rate	8.00% per annum	8.00% per annum	8.00% per annum
Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Withdrawal rate (18-30 years)	0.00% p.a.	0.00% p.a.	0.00% p.a.
Withdrawal rate (31-44 years)	1.00% p.a.	1.00% p.a.	1.00% p.a.
Withdrawal rate (44-58 years)	3.00% p.a.	3.00% p.a.	3.00% p.a.
Expected rate of return	8.00% p.a.	8.00% p.a.	8.00% p.a.
Future salary increase	5.00% p.a.	5.00% p.a.	5.00% p.a.
Retirement age	58 years	58 years	58 years

Finance Cost

Note - 26

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Interest paid to Banks/Financial Institutions	20.72	22.44
Other Borrowing Cost	-	-
TOTAL	20.72	22.44

Operating and Other Expenses

Note - 27

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Travelling and Conveyance		
- Directors	19.58	12.30
- Officers and Staff	156.35	137.37
- Staff Car Expenses	86.31	64.61
	262.24	
RENT, RATES, TAXES AND INSURANCE		
- Rent	971.52	1,123.93
- Rates & Taxes	1,246.47	283.06
- Insurance	101.65	99.04
- Bar Licence Fees	-	-
	2,319.64	
REPAIRS & MAINTENANCE		
- Plant and Machinery	374.48	348.18
- Building	530.98	1,355.66
- Vehicles	11.22	9.95
- Others	1,174.67	1,375.17
	2,091.35	
Auditors' Remuneration (Including Branch Auditors)		
- Audit fees	27.55	13.23
- Tax Audit Fees	8.16	3.91
- Certification	0.51	0.51
- Taxation Matters	-	-
- Company Law Matters	-	-
- Out of Pocket Expenses	0.33	0.17
	36.55	
Directors' Sitting Fees	-	-
Legal and Professional Charges	188.07	140.40
Printing, Stationery and Periodicals	111.86	124.49
Communication Expenses	108.79	97.70
Power & Fuel	3,081.96	2,729.05
Advertisement, Publicity & Sales Promotion	615.68	338.00
Litigation Loss	573.78	-
Entertainment	20.39	13.34
Band and Music	44.58	42.73
Expenses on Cultural Shows	-	0.91
Commission to Travel Agents & Credit Card Companies	72.72	72.49
Licensees' Share of Profit	205.03	310.01
Miscellaneous Expenses	75.79	92.16
Upkeep, Service Cost and Other Operating Expenses	12,773.26	11,162.66
Loss on Sale of Fixed Assets/Write off of Assets	2.85	8.25
Loss on Collaboration Ventures	-	-
Depletion/Consumption & Breakage in Crockery, Cutlery & Utensils etc.	48.02	51.70
Donation	-	2.01
Interest paid on Advances	-	91.52
Bad Debts	16.07	1.53

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Loss on Foreign Exchange Variations	4.75	5.13
Advances Written Off	3.49	-
Provision for Doubtful Debts & Advances	521.58	590.97
Provision for Impairments	3.26	215.59
Provision for Diminution of Fixed Assets	-	-
Provision for Inventory Write Down/ Write Off of Inventories	1.23	3.87
Corporate Social Responsibility	1.38	73.39
Marketing, Guidance & Supervision Expenses	7.68	11.65
Demand & Notice	-	4.14
TOTAL (A)	23,192.00	21,010.78
Less:-		
Charged to the Project of the Ministry of Tourism	12.67	9.85
Charged to the Project of the Ministry of External Affairs	96.83	67.71
Departmental Expenses Charged to ITDC Unit	-	1.83
TOTAL (B)	109.50	79.39
TOTAL (A-B)	23,082.50	20,931.39

Note:-

- Expenses on Generation of Power:-

(₹ in lakh)

Particulars	Current Year 31.3.2013	Previous Year 31.3.2012
Salaries and Wages	5.37	-
Fuel	56.74	24.82
Depreciation	15.86	0.63
Repairs	33.45	16.08
Others	-	4.90
Total	111.42	46.43

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

- No separate charge is made to Repairs and Maintenance Account in respect of salaries, wages etc. of staff deployed for repairs carried out departmentally.
- ₹ 349.62 lakh (Previous Year ₹ 1,846.98 lakh) spent on renovation during the year at various Hotels has been segregated as relating to capital ₹ 80.78 lakh (Previous Year ₹ 83.35 lakh) and revenue expenditure ₹ 268.84 Lakh (Previous Year ₹ 1,763.63 lakh) based on certificate issued by the Project engineer and which have been relied upon by the auditors.
- Auditors remuneration include Audit fees ₹ 6.43 lakh and Tax Audit fees ₹ 1.93 lakh towards difference of enhancement of fees for 2011-12.

Exceptional Items

Note - 28

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Provisions no Longer required written back (Negative if Profit)	(191.84)	(330.84)
TOTAL	(191.84)	(330.84)

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	28.68	164.60
2. Depreciation	1.04	0.35
3. Cost of Material Sold and Services Rendered	5.37	73.58
4. Salaries, Wages and Benefits	23.57	52.61
5. Repairs and Maintenance	8.07	23.40
6. Upkeep & Service Cost	-	1.92
7. Other Operating and Administrative Expenses	54.95	3.49
8. Provision for Diminution in Fixed Assets	-	1.19
9. Provision for Inventory Written Down	6.92	9.28
10. Legal & Professional Charges	-	0.02
11. Rates & Taxes	62.01	-
12. Communication Exp.	-	0.09
13. Bank Balance	1.23	-
14. Power & Fuel	-	0.31
Total	191.84	330.84

Prior Period Adjustments

Note - 29

(₹ in lakh)

Particulars	Year Ended 31.3.2013	Year Ended 31.3.2012
Prior Period Income (Negative)	(16.99)	67.12
Prior Period Expenses/Adjustments	188.60	138.39
TOTAL	205.59	71.27

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	16.65	12.72
Consultancy	(49.45)	33.39
3. Others :		
Employees' Remuneration and Benefits	0.41	2.39
Rent Recovery	-	-
Miscellaneous Income	14.05	7.82
Cost of Sales	1.41	10.48
Income from Hired Vehicles	-	-
Depreciation	-	-
Interest	-	-
Electricity & Water Charges	(0.06)	0.32
Total	(16.99)	67.12
Expenditure:		
1. Cost of Consumption of Raw Material, Other Materials Sold and Services	5.16	8.50
2. Employees' Remuneration and Benefits	42.07	14.77
3. Travelling and Conveyance	2.62	1.11
4. Rent, Rates, Taxes and Insurance	26.70	44.05
5. Repairs and Maintenance	14.41	28.96
6. Legal and Professional Charges	0.17	1.87
7. Printing, Stationery and Periodicals	(0.06)	0.81
8. Communication Expenses	0.42	0.17
9. Power and Fuel	(0.23)	4.35
10. Advertisement, Publicity and Sales Promotion	1.09	0.13
11. Sundry Expenses	(0.13)	21.11
12. Upkeep and Service Cost and Other Operating Expenses	11.06	4.72
13. Depreciation	67.01	6.08
14. Newspaper, Books & Magazines	0.03	0.03
15. Payment to Hired Vehicles	3.88	-
16. Consultancy	10.15	-
17. Hire Charges	2.93	1.07
18. Commission Charges	0.60	0.66
19. Freight	0.19	-
20. Audit Fee	0.53	-
Total	188.60	138.39

Earning Per Share

Note - 30

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

Particulars	As at 31.3.2013	As at 31.3.2012
BASIC & DILUTED		
Net Profit/(Loss) available for Equity Shareholders (₹ in lakh)	305.21	840.01
Weighted Number of Equity Shares of ₹ 10 each	8,57,69,400	8,57,69,400
Basic & Diluted earnings per share (in ₹)	0.36	0.98

Note - 31

Contingent Liabilities and Commitments

(₹ 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. ₹ 31.26 lakh) demands from custom authority ₹ 18,525.97 lakh (P.Y. ₹ 18,524.81 lakh) and are subjudice].	47,407.65	43,355.89
(ii) Guarantees executed in favour of various authorities, banks and financial Institution	409.46	295.94
(iii) Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 17.59 lakh (P.Y. ₹ 25.72 lakh)]	482.69	387.41
(iv) Sales Tax matters in appeal [includes ₹ 2,045.40 lakh (Previous Year ₹ 1,551.87 lakh) in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal / High Court].	2,529.51	3,735.38
(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).	70.09	211.89

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

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

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

(C) The Utkal Ashok Hotel Corporation Limited, Puri has neither ascertained nor provided for any liability that may arise due to non-deduction of Tax on provisions made for payment of interests to the holding company to the tune of ₹ 19.74 lakh (Previous Year ₹ 18.73 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 ₹ 730.06 lakh (Previous year ₹ 703.60 lakh) towards ESI dues in respect of four Hotel/catering units against which the Corporation holds a deposit of ₹ 327.20 lakh (Previous year ₹ 326.16 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts- ₹ 310.09 lakh and amount deposited ₹ 17.11 lakh). Against this, the Corporation holds a liability of ₹ 193.41 lakh (previous year ₹ 193.41 lakh) towards ESI dues. No provision has been made for the balance of ₹ 536.65 lakh (Previous year ₹ 510.19 lakh) as the matter is sub-judice 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 filed 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 (Previous year ₹ 1,779.49 lakh).

- (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.

Note - 32

General Notes

- 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.
- Following past practice, consumption of stocks, stores, crockery, cutlery etc. has been worked out by adding opening balances to purchases and deducting therefrom closing balance based on physical inventories valued as per accounting policy.
- The Corporation has been managing Hotel Bharatpur Ashok and Kosi Restaurant owned by the Ministry of Tourism and the profit/loss in respect of these units is accounted for by the Corporation in the respective Notes of Statement of Profit & Loss Account.
- Company entered into an Agreement dt. 19th February, 2002 with M/S Maruti Udyog Ltd. for renewal of Sub-Lease from 1st February, 2002 to 31st January, 2011 and another period of nine years thereafter subject to enhancement of rent in respect of the property comprising of Workshop cum Depot constructed on Plot No. C-119 Naraina Industrial Area, Phase- I, New Delhi. As per terms of agreement the entire rent for a period of 9 years was paid

by Maruti Udyog Ltd in advance. During the currency of the lease period, M/S Maruti Udyog Ltd carried out additional construction in the said premises and in the process the Workshop cum Depot that had been let out was demolished and rendered extinct which was neither envisaged nor intended in the Sub-Lease Agreement. Therefore, a legal notice dt. 14th June, 2010 was given to Maruti Udyog Ltd to vacate the premises w.e.f. 1.7.2010. The balance amount of advance rent lying with ITDC amounting to ₹ 25,01,849/- was accordingly returned to M/S Maruti Udyog Ltd. Applications dt. 1.7.2010 was filed by ITDC for eviction of premises and recovery of damages under Public Premises (Eviction of Unauthorized Occupants) Act, 1971 before H'ble Estate Officer. In the meanwhile Maruti Udyog Ltd filed a writ petition in H'ble Delhi High Court against the eviction and recovery applications of ITDC which has been dismissed by the Hon'ble High Court. Against the order of H'ble High Court Maruti Udyog Limited had filed an appeal before the Division Bench which was also simultaneously dismissed. Another Arbitration Petition had been filed by Maruti Udyog Ltd. before Hon'ble High Court for appointment of Arbitrator. Hon'ble High Court vide its order dt 29.09.2011 appointed Arbitrator with certain directions against the aforesaid order. ITDC has filed Writ Petition praying for stay of Arbitration proceedings. The matter is pending before H'ble High Court. Maruti Udyog Limited has also filed a writ petition against the order dated 29.09.2011 before the H'ble Supreme Court of India. Pending legal proceedings in the matter, the premises has not yet been vacated by M/S Maruti Udyog Ltd.

- (e) In respect of Assam Ashok Hotel

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

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

	(₹ in lakh)
a) Aggregate amount of Revenue Recognised up to the reporting date	13,079.95
b) Aggregate cost incurred up to reporting date	11,755.81
c) Revenue Recognised during the current financial year	572.51
d) Cost incurred during the financial year	523.50
e) Total amount of funds received up to the Reporting date	17,179.81
f) Advance due to customers up to Reporting Date	3,673.28
g) Advance due from Customers up to Reporting Date	332.41

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

The Corporation's leasing arrangements are generally in respect of operating lease for premises (residential, office accommodation, and godowns etc). These leasing arrangements are not non-cancellable and are also usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals paid/payable are charged as Rent under Employees' Remuneration & Benefits

(Note-25) & Operating and Other Expenses (Note-27). In some of the Hotel units, arrangements made with other parties to operate restaurants and other business premises are on licence basis which are also not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

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

(₹ in lakh)		
Particulars	Current Year	Previous Year
a) Value of Imports on C.I.F. basis:		
i) Beer, Wine and Spirits	453.80	257.93
ii) Cigars and cigarettes	23.24	-
Total	477.04	257.93
b) Expenditure in Foreign Currency:-		
i) Travelling	8.46	12.05
ii) Fees & Subscription	1.75	3.40
Total	10.21	15.45
(c) Earnings in Foreign Currency (Direct) (on receipt basis) :-		
i) Boarding, lodging and other facilities	831.31	1,153.85
ii) Sale of goods at Duty Free Shops	1,115.00	868.41
iii) Gain in Foreign Exchange (net)	28.55	23.20
Total	1,974.86	2,045.46

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

(ii) The Government of India had

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

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

(i) "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 upto 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 sublease the land for a period of 40 years The Board in its meeting held on 09.06.2008 approved the proposal of leasing out the joint venture Hotel property at Puri on lease cum Management basis for a period of 40 years. The Committee formed for this purpose has already floated the tender and the tender was awarded to M/S Paulmech Infrastructure Pvt. Ltd. for 40 years lease. The letter of intent has been issued to the lessee 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 2012-13 have been prepared on "Going Concern" basis/assumption".

(j) The Punjab Ashok Hotel Company 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 2012-13. The construction work of companies Hotel project at Anandpur Sahib has been at a standstill for quite some time for paucity of funds.

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

Key Management Personnels: -

- Shri Shankersinh Vaghela
Part time Chairman cum Non-official (Independent) Director
w.e.f .13.06.2012 to 28.11.2012
- Shri Girish Shankar
Managing Director
w.e.f. 23.04.2013
- 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 to 23.04.2013
- Shri P.K.Agarwal, Director (Finance)
w.e.f. 29.07.2010 to 28.09.2012
- Shri Ratan Kumar Okhandiar
Director (C&M)
w.e.f. 10.07.2012

6. Shri Trinath Behera, Director(Finance)
w.e.f. 26.4.2013

Payment made to key management personnels and their relatives.

(Amount in ₹)

Particulars	Current Year	Previous Year
Remuneration	43,26,577	36,60,435

- (m) Impairment of Fixed Assets/ Capital work-in-progress at each balance sheet date and impairment loss, if any, ascertained as per Accounting Standard-28-'Impairment of Assets' issued by the Institute of Chartered Accountants of India is recognised. As on 31st March, 2013, in the opinion of the Management except to the extent of loss recognised in respect of assets not in active use, capital work-in-progress including incomplete Hotel project at Gulmarg, no such impairment loss warranting recognition/provision was noticed.
- (n) The matter relating to determination of property tax in respect of 3 hotel properties in New Delhi was subjudice in the Hon'ble High Court of Delhi. During proceedings NDMC offered a basis for determination of property tax by assessing the hotel properties to which ITDC also agreed. Accordingly, the Hon'ble High Court vide its orders dated 19.10.2010 disposed off the said petition by directing NDMC to assess the property tax due from ITDC and ITDC to fully cooperate in the matter. Accordingly, The NDMC vide its assessment orders dated 31.03.2013(separate for each hotel) made the fresh assessment up to 31.03.2009 and gave a basis of determination of property tax which was agreed by ITDC.

In compliance to the assessment order, a provisional liability for property tax due for these hotels for the years up to 2008-09 have been worked out. Further, ITDC has adopted the same formula for determining the property tax for the years from 2009-10 to 2012-13. Although property tax assessment for these years has not been made. The Gross amount due for the years up to 2012-13 works out to ₹ 2,655.85 lakh(comprising of ₹ 2,050.66 lakh for the years up to 2008-09 and ₹ 605.19 lakh for the years 2009-10 to 2012-13). Further, the Corporation

has already made provision of ₹ 1,704.25 lakh in the accounts as admitted liability/ agreed upon mutually agreed terms. The difference of ₹ 951.60 lakh has been provided for in the accounts of 2012-13. The amount of ₹ 270.00 lakh relating to transfer of fixed assets of erstwhile Akbar Hotel under package deal and as agreed by NDMC to adjust against the property tax dues, has now been adjusted from the dues payable to them.

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

(₹ in lakh)

Name of the Provision	Balance as on 1.4.2012	Provided during the year relating to 2012-13	Provided during the year relating to 2011-12	Payments/Adjustments during the year	Provision reversed/ written back	Closing Balance as on 31.03.2013
Income Tax	649.56	268.89	6.93	624.55	31.94	268.89
Wealth Tax	0.58	0.71	0.00	0.58	0.00	0.71

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

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

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

Date : 4th September, 2013
Place : New Delhi

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

Annexure “A” to Note No. 32 {Sl. No. k}

Segment Reporting-AS-17

(₹ in lakh)

	Hotel/Restaurants Operations		Duty Free Shops Operations		Travels & Tours Operations		ARMS & Misc. Operations		Construction, Consultancy & SEL Projects		Others		Total for Company	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
PRIMARY DISCLOSURE (Operation-wise)														
1 Segment Revenue														
a) Total Revenue	27,133.20	27,722.71	1,135.17	918.15	11,812.94	10,330.83	3,141.39	2,355.00	1,149.12	1,077.80	2,533.80	2,421.79	46,905.61	44,826.28
b) Less Inter Segment Revenue	94.78	67.13	-	-	107.47	89.50	659.92	477.74	-	-	-	-	862.17	634.37
c) External Revenue	27,038.42	27,655.58	1,135.17	918.15	11,705.47	10,241.33	2,481.47	1,877.26	1,149.12	1,077.80	2,533.81	2,421.79	46,043.45	44,191.91
2 Segment Results :-														
Profit/(Loss) before Interest, Tax and overheads	2,333.15	3,880.29	(279.42)	(159.92)	(119.69)	83.96	486.69	(17.79)	(1,195.75)	(888.31)	2,558.55	2,381.86	3,783.52	5,280.09
Less: Allocable Corporate Overheads	-	-	-	-	-	-	-	-	-	-	3,181.47	3,048.86	3,181.47	3,048.86
Less: Interest	20.72	20.45	-	-	-	-	-	-	-	-	-	1.99	20.72	22.44
Less: Provision for Income Tax	48.89	49.56	-	-	-	-	-	-	-	-	220.00	600.00	268.89	649.56
Less: Provision for Wealth Tax	-	-	-	-	-	-	-	-	-	-	0.71	0.58	0.71	0.58
Less: Provision for Deferred Tax	(12.72)	(7.69)	-	-	-	-	-	-	-	-	59.60	747.73	46.88	740.04
Add: Provision for income tax for earlier year written back	(4.22)	8.50	-	-	-	-	-	-	-	-	31.94	-	27.72	8.50
Profit/(Loss) available for appropriation	2,272.04	3,826.47	(279.42)	(159.92)	(119.69)	83.96	486.69	(17.79)	(1,195.75)	(888.31)	(871.29)	(2,017.30)	292.57	827.11
3 Segment Assets														
(Current assets plus fixed assets & WIP)	18,447.73	19,011.26	705.58	757.70	2,518.21	2,739.83	1,164.57	1,187.25	677.29	912.46	31,268.98	31,893.49	54,782.36	56,501.99
4 Segment Liabilities														
	18,754.94	16,955.81	703.28	805.96	2,191.10	2,418.72	1,298.16	1,072.06	9,167.42	9,987.89	(3,978.00)	(1,049.85)	28,136.91	30,190.59
5 Depreciation & amortisation in respect of Segment Assets for the period														
	601.50	553.20	1.79	1.58	14.41	14.05	3.80	3.41	1.55	1.30	26.18	27.41	649.23	600.95
6 Cost incurred during the period to acquire Segment Assets (Tangible & intangible fixed assets)														
	417.75	487.07	1.94	3.44	2.98	9.44	3.01	11.33	0.47	1.12	13.97	18.43	440.12	530.83
7 Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment														
	1,693.74	1,230.29	3.32	18.12	102.43	105.89	66.28	246.33	119.50	250.44	190.29	188.63	2,175.57	2,039.70

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

Cash Flow Statement for the Year ended 31st March, 2013

(₹ in lakh)

Particulars		Year Ended 31.3.2013		Year Ended 31.3.2012
A Cash Flow from Operations				
Profit before Taxation		581.33		2,208.78
<u>Adjustments for:</u>				
Depreciation	648.98		609.38	
Diminution in value of Fixed Assets/Investments	-		(1.78)	
Deferred Government Grant	(5.39)		(1.14)	
Finance Charges	20.72		22.44	
Provision for Inventory Write-down	1.23		3.87	
Provision for Doubtful Debts & Advances	521.58		590.97	
Interest Income	(2,433.51)		(2,327.09)	
Bad Debts/Advances Written Off	19.56		1.53	
(Profit)/Loss on Sale of Fixed Assets	(0.29)	(1,227.12)	7.29	(1,094.52)
Operating Profit before Working Capital Changes		(645.79)		1,114.26
(Increase)/Decrease in Current Assets				
Inventories	88.28		19.78	
Trade Receivables	519.35		(2,558.84)	
Other Current Assets	113.37		(244.86)	
Other Non-current Assets	31.93		(39.97)	
Long-term Loans and Advances	(35.19)		4.18	
Short-term Loans and Advances	(673.03)	44.71	(1,963.84)	(4,783.55)
Increase/(Decrease) in Current Liabilities				
Trade Payables	(864.27)		(359.70)	
Other Current Liabilities	(33.56)		(2,089.34)	
Other Long Term Liabilities	336.64		(96.87)	
Long Term Provision	(652.45)		1,056.54	
Short Term Provision	60.54	(1,153.10)	288.75	(1,200.62)
Cash Inflow/(Outflow) from Operations		(1,754.18)		(4,869.91)
Direct Taxes Paid				
Income Tax Paid	689.74		29.28	
Income Tax for Earlier years Written Back	(27.71)	662.03	(8.50)	20.78
Net Cash Inflow/ (Outflow) from Operation (A)		(2,416.21)		(4,890.69)

B Cash Flow from Investing Activities			
Purchase of Fixed Assets	(440.13)		(530.84)
Sale of Fixed Asset and Adjustments	105.54		17.14
Income from Interest/Dividends	2,433.51		2,327.09
Reduction/(Addition) of Work in Progress	149.68		1,876.40
(Increase)/Decrease in Investments	-		-
Net Cash Inflow/ (Outflow) from Investing Activities (B)	2,248.60		3,689.79
C Cash Flow from Financing Activities			
Increase in Share Capital	-		-
Increase/(Decrease) in Borrowings	18.57		17.24
Finance Charges	(20.72)		(22.44)
Wealth Tax Paid	(0.58)		(0.61)
Dividend Paid	(428.85)		-
Dividend Tax Paid	(69.57)		-
Deferred Government Grant	-		-
Net Cash Inflow/(Outflow) from Financing Activities (C)	(501.15)		(5.81)
Net Change in Cash or Cash Equivalents during the Year	(668.76)		(1,206.71)
Cash and Cash Equivalents at the beginning of the year*	26,381.54		27,588.25
Cash and Cash Equivalents at the end of the year*	25,712.78		26,381.54

*For Details refer Note-18

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

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

Date : 4th September, 2013
Place : New Delhi

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

Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of India Tourism Development Corporation Limited for the Year ended 31st March, 2013

The preparation of financial statements of **India Tourism Development Corporation Limited** for the year ended 31st March, 2013 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 4th September, 2013.

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, 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-
(Vimalendra Patwardhan)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
New Delhi

Place : New Delhi
Dated : 27th September, 2013

FORM A

1	Name of the Company	India Tourism Development Corporation Limited
2	Annual Financial Statement for the year ended	31 st March, 2013
3	Type of Audit observation	<p><u>Emphasis of matter</u></p> <p>Without qualifying our opinion, we further report that:</p> <p>1. Non-disclosure of complete details pertaining to transactions entered into during the year with related parties-Accounting Standard-18-Related Party Disclosure.</p> <p>2. Non-disclosure of details required in respect of operating leases entered into by the Corporation. [Point No.10 of General Note 32] - Accounting Standard-19 – Leases.</p> <p>3. The Vigyan Bhawan has Provided Rs. 4 Lacs for electricity and water charges on assumption basis. The total liability towards electricity & water charges since the inception of the unit is Rs.55.34 lacs payable to Directorate of Estate is subject to confirmation. In the absence of the requisite details thereof and the supporting documents, we cannot comment thereon.</p> <p>4. The Hotel Janpath has accumulated total liability of Rs.78.51 lacs towards annual lease payable @ Rs. 4.09 lacs to ministry of tourism. We are unable to comment on the additional financial burden on the unit in the future due to non-availability of supporting documents.</p> <p>5. The personnel staff employed by the Samrat Hotel and Janpath Hotel is not equipped with the latest information technology, changes in tax law of the country, standards prescribed by the professional bodies and the other corporate and legal changes required for the day to day functioning of the unit.</p> <p>6. 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]</p>

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		<p>7. In Respect of Ashok Hotel ,as per the rule 6(3A) of Cenvat Credit Rules, 2004 the unit was required to make short payment of amount if any, equal to the proportionate Cenvat credit attributable to the exempted output service provided during the year up to 30th June, 2013. The unit has not yet made the final assessment of the amount payable if any as a consequence of which the unit might be liable to pay interest @ 2% p.a. up to the date of actual payment;</p> <p>8. The Ashok Hotel has calculated consumption of stock and stores, crockery, cutlery, glassware and linen by taking opening balances, purchases and closing balances. The value of losses/shortages/wastages has not been accounted separately.</p> <p>9. In Ashok Hotel, instances of violation of the laid down terms and conditions of the license agreement by licensee Mayer Health Resorts Limited. The licensee is in unauthorized occupation of premises beyond the prescribed limits as stipulated in the agreement for which the Unit management has taken steps for recovery based on the joint measurement done in the year. However, in respect of occupation done after the said date no steps have been taken either for removal of unauthorized charges or for the recovery of the charges.</p>
4	Frequency of observation	Appeared first time

For India Tourism Development Corp. Ltd.


Girish Shankar
Managing Director

For India Tourism Development Corp. Ltd.


Trinath Behera
Director (Finance)

For India Tourism Development Corp. Ltd.


T. Kumar
Chairperson of the Audit Committee


Auditors



**MANAGEMENT RESPONSE TO THE EMPHASIS OF MATTER CONTAINED IN THE STAUTORY AUDIT
FOR THE YEAR ENDED 31ST MARCH 2013**

Sl no. Management Response

- 1 The disclosure of transactions with related parties as per Accounting Standard-18 has been made in Note no. 9 of General Note No. 32 and the observation of the audit is noted for compliance in the next financial year.

- 2 The disclosure in pursuance of Accounting Standard-19 on Leases, has been made in note no. 10 in General Note No. 32 to Accounts.

- 3 As per the Agreement with the Directorate of Estate, unit Vigyan Bhavan is providing catering services to Govt. of India. Under the terms and conditions, inter alia, unit has to pay the electricity & water charges on actual consumption basis. Since neither any meter for electricity/water has been installed, nor there has been any demand since inception, the amount payable is not determinable. However, the estimated/adhoc amount has been provided in the books of accounts as a prudent accounting practice.

- 4 In accordance with the letter dated 2.7.1964 of the Ministry of Works & Housing, the unit Janpath Hotel New Delhi (a unit of Janpath Hotels Ltd) has to pay the lease amount @ Rs.4.09 lakh per annum to Govt. of India. After the merger of Janpath Hotel with ITDC in 1970, the unit continued to provide/pay liability towards Ministry of Tourism at the rates stipulated in the above letter. Although there has been no demand since 1992-93, a provision of Rs.78.51 lakh (net of adjustments) has been made in the accounts for the period from 1992-93 to 2012-13 as an conservative accounting practice.

- 5 The observation of the auditors was noted and in compliance thereof, a training session to impart the education on accounting software, tax matters has been held in November 2013.

- 6 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. Position in this regard has been disclosed at para no. 1 in Note no 32 on General Notes.

- 7 Under the Cenvat Credit Rules, assessment of the amount payable, if any can be made after the finalisation of annual accounts. Since the Accounts of the unit were finalised in August 2013, the assessment of the amount payable, if any will be done in the current year.

- 8 As per the consistent practice followed by the company, consumption of Stocks, stores, crockery, cutlery etc., has been worked out by adding opening balances to purchases and deducting there from closing balance based on physical inventories valued as per accounting policy. The above disclosure has duly been made at para no. 3 in Note no. 32 on General Notes.

- 9 ITDC has filed an objection petition no. 389/2009 in the Hon'ble Delhi Court against unauthorised occupation and claim for damages from the licensee i.e. M/s Mayar Health resorts Ltd.. After preliminary hearing, matter is not yet come up for hearing. However, management is filing application for an early hearing in the matter.

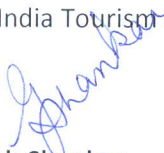
FORM B

A	Name of the Company	India Tourism Development Corporation Limited
2	Annual Financial Statement for the year ended	31 st March, 2013
3	Type of Audit Qualification	<p>Except for the matter described in the basis of Qualified Opinion paragraph</p> <p>Basis For Qualified Opinion</p> <p>i) Lease charges in respect of land of Hotel Samrat not having been amortized over the lease period or over the reasonable period, as required by AS-6 on 'Depreciation Accounting'. In absence of the supporting documents, its effect on the accounts is indeterminate. [Refer Note No. 11].</p> <p>ii) There are demands of Rs 536.65 Lakh (Previous Year Rs 510.19 Lakh) from ESI authorities in respect of ESI dues, which are being disputed by the Corporation and not provided for. 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 (Refer Note No. 31(F)).</p> <p>iii) The corporation is due Rs 1413.96 Lacs as at 31.03.2013 (Rs 1,377.85 Lacs upto 31.03.2012) 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 31.03.2013 of Rs.759.70 Lakhs (Previous Year Rs 729.10 Lacs). 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</p>




		<p>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. The adjustment that may arise cannot be quantified at this stage. (Refer Note No's. 17(1) & 14A(1)).</p> <p><i>The Management replies to the qualifications have been given in the Annual Report as Annexure-II(iii) to the Directors' Report</i></p> <p><i>These qualifications were discussed in the Audit Committee Meeting held on 4.9.2013 while reviewing the Annual Accounts. The relevant extract of the proceeding of the Meeting are enclosed herewith as Annexure.</i></p>
4	Frequency of qualification	<p><u>Qualified.../Subject to.../Except for...</u></p> <ul style="list-style-type: none"> • Qualification No. 1 from financial year 2001-02 • Qualification No. 2 from financial year 2005-06 • Qualification No. 3 from financial year 1994-95

For India Tourism Development Corp. Ltd.


Girish Shankar
Managing Director

For India Tourism Development Corp. Ltd.


Trinath Behera
Director (Finance)



Auditors

For India Tourism Development Corp. Ltd.


T. Kumar
Chairperson of the Audit Committee

INDIA TOURISM DEVELOPMENT CORPORATION LTD.

Extracts of the proceedings of the meeting of the Audit Committee of the Board of India Tourism Development Corporation Ltd. held on 4th day of September, 2013 at 1100 hours at 'The Ashok', New Delhi – 110 021

47.2 Finalization of Annual Accounts of the Corporation for the year 2012-13

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ix. The Committee asked the statutory auditors about their comments. The Statutory auditors read the main qualification from the Draft Audit Report which are as under:

- a) In respect of Hotel Samrat, lease amount was not amortized as the lease period was not available in the lease deed. Committee directed that the concerned department take action to find out/determine the lease period and remove the qualification for future.
- b) Demands from ESI authorities : It was apprised that these demands were disputed and hence being shown in the contingent liability in the notes to Annual Accounts.
- c) In respect of loans given and management fees due from the Subsidiary Companies, the Corporation did not make provision although as per accounting policy any debt which is not recoverable for last three years, is provided in the books : It was apprised that since the intrinsic value of the assets of the subsidiaries are more than the debts and further ITDC is a parent company holding 51% equity, the debts are recoverable and hence not provided. Committee suggested that ITDC may review its accounting policy. This will save ITDC from this qualification in the future.

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