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Board of Directors

(as on 7th December, 2010)

Chairman & Managing Director

Dr. Lalit K. Panwar

Directors

Shri E. K. Bharat Bhushan

Shri Anand Kumar

Shri Pradeep Kumar Agarwal [Director (Finance)]

Company Secretary

Shri V.K. Jain

Registered Office

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

Statutory Auditors

Grover, Lalla & Mehta
Chartered Accountants
New Delhi-110017

Branch Auditors

M/s A.R. Joshi & Co.

M/s H. Gambhir & Co.

M/s Dhoot & Associates

M/s Thirlochan & Co.

M/s Pardeep Tayal & Co.

M/s Laxmi Agrawal Bose & Co.

M/s L. N. Chaudhary & Co.

M/s Sood Brij & Associates

M/s R.K. Kumar & Co.

M/s Dharamvir Chopra & Co.

M/s Purushottam Agrawal & Co.

M/s ASA & Associates

M/s S.B. Dandeker & Co.

M/s Sheth & Co.

M/s Subrata Das & Co.

Bankers

Bank of India

Canara Bank

Central Bank of India

Corporation Bank

Indian Bank

Indian Overseas Bank

Punjab National Bank

State Bank of India

State Bank of Hyderabad

State Bank of Patiala

Syndicate Bank

United Bank of India

Axis Bank

IDBI Bank

HDFC Bank

NOTICE

Notice is hereby given that 45th Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Thursday, the 30th December, 2010 at 1500 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, 2010 and Profit & Loss Account for the year ended on that date together with the Report of the Auditors, Comptroller and Auditor General and the Directors' Report thereon;

(2) To appoint a Director in place of Shri Anand Kumar, Director who retires by rotation under Article 61 of the Articles of Association of the Company and being eligible offers himself for re-appointment.

By Order of the Board of Directors

Place: New Delhi
Dated: 07.12.2010

(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 29th day of December, 2010 to 30th day of December, 2010 (both days inclusive).

To

(i) All Members of India Tourism Development Corporation Ltd.

(ii) M/s Grover, Lalla & Mehta, Chartered Accountants, 90/20, Malviya Nagar, New Delhi - 110 017

(iii) All Stock Exchanges

Copy to

1. The President of India through Shri B. B. Roy, Under Secretary (Ministry of Tourism)

2. All Members of the ITDC Board.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 45th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2010.

Your Company has registered a turnover of ₹ 299.75 crore during the financial year 2009-10 as against ₹ 413.43 crore in the previous financial year 2008-09. The decline in turnover is mainly due to decline in turnover of some of the business segments like Ashok Creatives Division due to non-receipt of business from the Ministry of Tourism, ATT Division, Hotel Division due to non-availability of rooms due to renovation of hotel properties mainly in 'The Ashok', Engineering Division due to deployment of Engineering staff in the renovation of hotel properties. The turnover is also adversely impacted by the Global recession. During the current year 2009-10, the Corporation suffered the loss (before tax) of ₹ 20.51 crore as against profit before tax of ₹ 38.19 crore in the previous year 2008-09. The loss occurred mainly due to decline in turnover, increase in wage cost as a result of implementation of revision in pay scales of non-executive employees on IDA pattern w.e.f. 1.1.2007 and provision for arrears up to 31.3.2010 and liability for Property Tax to NDMC in respect of 3 Delhi based Hotels.

Performance Highlights

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

(₹ in crore)

Particulars	2009-10	2008-09
Turnover	299.75	413.43
Operating Profit/(Loss)	(8.54)	42.93
Less: Interest	0.00	0.00
Less: Depreciation	4.12	4.28
Add/(Less) Prior period adjustments & extra ordinary items	(-)7.86	(-)0.46
(Loss)/Profit before Tax	(20.51)	38.19
Add/(less): Deferred Tax	13.09	3.12
Less: Provision for Income Tax	7.20	16.00
Less: Provision for Wealth Tax	0.01	0.00
Less: Provision for Fringe Benefit Tax	0.00	0.41
Add/(Less): Provision for Income Tax for earlier years written back	0.32	0.46
(Loss)/Profit after Tax	(14.31)	25.36
Add Currency Translation Reserve Written back	0.00	0.02
Amount available for appropriation	(14.31)	25.38
Proposed Dividend	0.00	8.58
Dividend Tax	0.00	1.44
Equity Capital	85.77	67.52
Capital Employed	231.14	291.74
Rate of Return on Capital :		
Before Tax	(-) 23.91%	56.56%
After Tax	(-) 16.68%	37.55%
Rate of Return on Capital Employed:		
Before Tax	(-) 8.87%	13.09%
After Tax	(-) 6.19%	8.69%

Division wise Financial Performance

i. The turnover of Hotel Division during the year 2009-10 has decreased to ₹ 196.71 crore from ₹ 211.91 crore in the previous year 2008-09 mainly due to decrease in occupancy and non-availability of room due to renovation particularly at 'The Ashok' and as a result the division incurred the net loss of ₹ 31.55 crore as against the net profit of ₹ 12.94 crore in the previous year mainly due to increase in wage cost.

ii. The turnover of AIT Division during the year 2009-10 has marginally increased to ₹ 5.58 crore from ₹ 5.56 crore in the previous year 2008-09. During the year 2009-10, the Duty Free Shops in operation are at Goa and Coimbatore. One Duty Free Shop at Coimbatore was opened in August 2009 during the current financial year 2009-10. Post financial year 2009-10, three shops i.e. one at Chennai Seaport (May 2010) and one at Kolkata Seaport (September 2010) and the one at Haldia Seaport (September 2010) were opened during the year 2010-11. The AIT Division has incurred net loss of ₹ 2.34 crore as compared to net loss of ₹ 1.88 crore in the previous year mainly due to increase in wage cost.

iii. The turnover of ATT Division including the ATSS (i.e. Ashok Tourist Service Station) during the year 2009-10 has decreased to ₹ 55.50 crore from ₹ 75.94 crore in the previous year 2008-09. The ATT Division has suffered a net loss of ₹ 2.43 crore as against the net loss of ₹ 2.31 crore in the previous year mainly because of increase in wage cost.

iv. The turnover of the Ashok Creatives Division during the year 2009-10 has been recorded at ₹ 3.01 crore (previous year ₹ 53.06 crore) and as a result the division has suffered a loss of ₹ 2.35 crore as against net profit of ₹ 0.92 crore mainly because of reduced turnover due to non-receipt of international and domestic campaign business from the Ministry of Tourism.

v. The Engineering Division has achieved a turnover of ₹ 3.91 crore during the year 2009-10 (previous year ₹ 17.31 crore) with net loss of ₹ 5.04 crore as against net loss of ₹ 3.94 crore in the previous financial year. The decline in turnover is due to deployment of engineering staff in the renovation of hotel properties particularly 'The Ashok'.

vi. The turnover of ARMS (Events Division) during the current financial year 2009-10 has decreased to ₹ 7.20 crore as compared to ₹ 11.88 crore in the previous year 2008-09 with net profit of ₹ 0.18 crore as against ₹ 0.91 crore in the previous year mainly because of reduced turnover due to austerity measures announced by the Govt. of India which adversely affected the turnover of the division.

vii. The Ashok Institute of Hospitality and Tourism Management (AIH&TM) during the current year 2009-10 has achieved turnover of ₹ 4.45 crore as against ₹ 5.42 crore in the Previous year 2008-09 with net profit of ₹ 0.24 (previous year net profit of ₹ 1.54 crore). The turnover is reduced due to reduced business due to non-commencement of training courses from the Ministry of DONER.

viii. The Sound & Light Shows have recorded a turnover of ₹ 0.73 crore (Previous year ₹ 0.52 crore) with net profit of ₹ 0.16 crore (previous year profit of ₹ 0.01 crore).

ix. The Corporate H.Q. being the administrative office during the current financial year 2009-10 has earned an income of ₹ 22.64 crore as compared to ₹ 31.83 crore in the previous year 2008-09 mainly consisting of income from Interest on short term deposits with banks from the surplus funds available with it. The decline in income from interest is mainly due to the expenditure on renovation of hotel properties being carried out during the year 2009-10 and onwards.

Capital Structure

As on 31st March, 2010, the paid-up share Capital of the Company increased from ₹ 67.52 crore to ₹ 85.77 crore due to preferential allotment of 18250000 equity shares of ₹ 10/- each at a premium of ₹ 30/- per share on 14.09.2009.

Dividend

Since the Corporation has suffered the post tax loss of ₹ 14.31 crore during the year 2009-10, 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 2006-07 has been rated as 'Very Good' in terms of the MoU signed with the Government of India. The Self Performance Evaluation Report for the year 2007-08 and 2008-09 has been sent to DPE and the rating is awaited.

Management Discussion and Analysis

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

Plan Schemes

i. The Revised Budget Estimate towards capital expenditure for 2009-10 was ₹ 97.45 crore which included ₹ 95.80 crore for renovation of hotel properties and remaining fund for ATT Division and other activities of the Corporation. The Capital expenditure during 2009-10 was ₹ 16.30 crore out of which ₹ 11.17 crore was capitalized and ₹ 5.12 crore was charged to revenue. Besides this ₹ 40.45 crore relating to hotel units including ₹ 39.31 crore for 'The Ashok' has also been spent during the year on the incomplete works relating to renovation works of hotel properties.

ii. The plan outlay for the year 2010-11 is ₹ 84.37 crore (including the major renovation work at Hotel properties for ₹ 79.17 crore) and ATT and Miscellaneous Schemes for ₹ 5.20 crore. The plan outlay for the year 2010-11 includes Plan outlay for The Ashok where major renovation were carried out amounting ₹ 34.30 crore approved by the Board in their meeting held on 28th day of January, 2010, was subsequently revised to ₹ 65.26 crore by the Board due to the termination of the contract and the work was further re-awarded.

Implementation of Official Language Policy

During the year 2009-10, the Company continued its efforts to give impetus to the use of Hindi in official work. To motivate employees for increasing use of Hindi in their official work, cash incentives were granted to them on doing prescribed quantum of work in Hindi. As part of Hindi Training Programme, employees were nominated for Hindi Typing/Stenography classes being conducted under the Hindi Teaching Scheme of the Government of India. Hindi Workshops were also organized to impart them training on noting-drafting and other works in Hindi. Various Hindi Competitions were also organized during Hindi Month celebrations for creating an environment conducive for promotion of Hindi.

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

The Hotels have been paying special attention to environmental issues. All the three hotels in Delhi have installed 'Rainwater Harvesting' as one major step towards recharging the ground water levels. Energy conservation has also been high on the agenda for which energy audit was got done by BEE certified body. The recommendations of the audit are currently at various stages of implementation in all the three hotels.

Since your Company's operation 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 and Outgo

i. The Direct Foreign Exchange Earnings during the year 2009-10 has decreased to ₹ 15.09 crore as against ₹ 20.10 crore in the previous year 2008-09. The outgo of Foreign Exchange during the year was ₹ 9.54 crore as against ₹ 4.41 crore in 2008-09.

ii. During the year, 12 officials were sent on foreign tours at the cost of ₹ 17.99 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. (vii) Punjab Ashok Hotel Company Ltd. The Hotel units are 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 2004 and the Hotel has been planned to be leased out and 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 letter No. 47/709/2010-CL-III has granted exemption under Section 212(8) of the Companies Act, 1956 from annexing the annual accounts and other information of the subsidiary companies along with the Accounts of the Company for the financial year ended 31.03.2010. In terms of the said exemption letter, a statement containing brief financial details of the Company's subsidiaries for the year ended 31st March, 2010 is enclosed as **Annexure-VI** of this report. The Annual Accounts of the subsidiary companies and the related detailed information are open for inspection by any shareholder including the shareholder of subsidiary companies at the registered office of the company and the subsidiaries concerned during the working hours on all working days. The Company will make available these documents to the shareholders including shareholders of subsidiary companies upon receipt of request from them. The shareholders, if they desire, may write to the company to obtain a copy of financials of the subsidiary companies.

Board of Directors

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

ii. During the year under review Shri Sanjay Kothari, Additional Secretary (Tourism) (w.e.f. 1.12.2009) was appointed as C&MD pursuant to Article 61 of the Articles of Association of the Company. Further post financial year 2009-10, Dr. Lalit K. Panwar (w.e.f. 22.4.2010) as C&MD, Shri Anand Kumar (w.e.f. 7.7.2010) as Govt. Nominee and Shri P. K. Agarwal (w.e.f. 29.7.2010) as Director (Finance) joined the Board of Director.

iii. During the year under review, Shri Parvez Dewan (w.e.f. 1.12.2009) as C&MD, Shri P.P. Singh (w.e.f. 1.3.2010) as Director (Finance), Smt. Leena Nandan (w.e.f. 23.12.2009) as Govt. Nominee ceased to be on the Board of Directors of the Company. Further post financial year 2009-10 Shri Sanjay Kothari (w.e.f. 21.4.2010) as C&MD, Shri Rajiv Makin (w.e.f. 1.8.2010) as Director (C&M), Shri Ashok Pahwa (w.e.f. 17.4.2010) as Non-official Director, Shri Romesh Chopra (w.e.f. 17.4.2010) as Non-official Director, Shri Jose Dominic (w.e.f. 17.4.2010) as Non-official Director, Shri Zubin Karkaria (w.e.f. 19.7.2010) as Non-official Director and Shri Jyotindra Jain (w.e.f. 19.7.2010) as Non-official Director ceased to be on the Board. The Board appreciates the valuable services rendered by them during their tenure on the Board of the Company. The present composition of the Board is as under

Dr. Lalit K. Panwar
Chairman & Managing Director

Shri P. K. Agarwal
Director (Finance)

Shri E.K. Bharat Bhushan
Non-executive Director & Part-time Government Director

Shri Anand Kumar
Non-executive & Part-time Government Director

iv. Pursuant to Article 61 of the Articles of Association of the Company, Shri Anand Kumar, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Shri Anand Kumar is an IAS and presently holding the post of Joint Secretary (Tourism) in the Ministry of Tourism. He has also served as Resident Commissioner, Government of Kerala. His educational qualification is M. Sc. , M.Phil. and MBA. He does not hold directorship in any other companies. In ITDC, he is the member of the Audit Committee.

Corporate Governance

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

(i) CEO/CFO Certificate [as per Clause 49(v)] and

(ii) Certificate from the Company's Auditors [as per Clause 49 (vii)].

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

"As required by Para IV C of the Clause 49 of the Agreement, we are informed that the Corporation is in the process of preparing a Risk Management Policy."

In its reply, it may be submitted that the 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 for implementation.

Corporate Social Responsibility (CSR)

CSR Policy of the Corporation has been devised with the objective of Capacity Building leading to employment generation in the Hospitality/Tourism sector, thereby building value for its stakeholders and customers. In the background of guidelines issued by DPE on CSR, the Board has given mandate to give vocational training to the students belonging to poor, including below poverty line, economically backward classes, SCs/STs to equip them to get some employment in the market and include it as an activity in MoU 2010-11.

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, 2010, the applicable accounting standards have been followed read along with proper explanation relating to departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

Auditors and Auditor's Report

The Comptroller & Auditor General of India have appointed M/s Grover Lalla & Mehta, Chartered Accountants as Statutory Auditors of the Company and also various Branch Auditors for the year 2009-10 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 2009-10 are given in **Annexures III, IV & V.**

Comments of the Comptroller and Auditor General of India

The Comptroller and Auditor General of India conducted a supplementary audit of the financial statements of ITDC for the year ended 31st March, 2010 and have issued NIL Comments.

Acknowledgement

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

ii. 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

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

Date: 7.12.2010
Place: New Delhi

Annexure-I

Management Discussion and Analysis Report

Global and Indian Scenario

i. The GDP growth of 6.8% during the fiscal 2009-10 may allay to some extent the concerns of slowdown in demand and a resultant negative impact on the economy. However, the rising food prices and high level of general inflation continues to be a cause for concern and a subject matter of government and RBI's policies.

ii. When economy expands globally, tourism as an industry develops as there is more money in the hands of people and they use it for travelling. India is proving to be one of the most robust markets for travels in the world. With a annual GDP growth of 8% plus a domestic movement of over 600 million, India is a dynamic market for travel and tourism. During the period 2002 to 2009, India witnessed an increase in the Foreign Tourist Arrivals (FTAs) from 2.38 million to 5.11 million. However, due to global slowdown, terrorist activities, H1N1 influenza pandemic, etc., growth rate in FTAs during 2009 fell by 3.3 per cent. The year witnessed a contraction in global tourism by 4.3 per cent; the deceleration in India was, therefore, less than that of the scale of global slowdown.

Segment-wise Performance

Hotel Division (Delhi Hotels)

A. In view of the CWG 2010 event, lot of new capacity addition has been initiated in the Hotel Industry which is likely to result into more competition in the hospitality segment in the coming years.

B. 'The Ashok' was designated as the flagship Hotels of ITDC and Samrat and Janpath were designated as the Games Family Hotels for the Commonwealth Games (CWG) 2010. The Ashok and Samrat have been used as the officials hotels while Hotel Janpath has been used by the Press and Media. In view of CWG 2010, all the above said three hotels have spent major part of the year being under major renovation and product upgradation. The vision and the broad parameters that have been kept in mind while planning and executing the product upgradation was to use the top of the line products as well as brands. Even in opening of the new Food and Beverage outlets, the hotels have aligned with the best of the brands in the industry. The expected impact which is already being realized is that the products are seen in a new light. The target clientele has also accordingly upgraded as a part of our long term objectives.

C. Some of the initiatives taken in Delhi Hotels are :

- At The Ashok, the public areas including the lobby, Tea Lounge and the transition area to the Conventional Hall have been totally renovated. A new Wine lounge has also been created to cater to the niche clientele. Exclusive Italian marble 'Botticino Classico' has been used in the entire renovated public areas.
- Three floors of rooms, including the guest corridors have gone under complete renovation.
- The existing Executive Lounge at the 6th floor has been renovated and a new Lounge at 7th floor has also been launched.
- Hotel Janpath too, has renovated its lobby as well as the shopping arcade completely along with most of its rooms, while the remaining rooms had been renovated last year. The guest corridors have been covered with tinted glass and the same have been air-conditioned.
- Two guest floors of Hotel Samrat have also gone under complete renovation.
- In terms of Food and Beverage, the existing outlets, F-Bar, Capitol, Frontier, Mashrabiya, Sagar Ratna, The Chakras, Cibo and Mismo continued to retain their popularity. Durbar restaurant at The Ashok has been relaunched as 'Oudh' in its new avatar.
- Many new outlets have either been opened or are in the process amongst which the following appear prominently :

  a) LAP – A high end club at Hotel 'Samrat' being run by the film star Arjun Rampal together with A D Singh of 'Olive' fame.

  b) China Garden – A very well known chain of Chinese restaurants from the much awarded Nelson Wang, has opened its outlet in 'The Ashok'

  c) Kumgang – A much awarded 'Korean' restaurant has been relaunched at The Ashok

  d) Swagath – Non-Vegetarian Coastal cuisine restaurant – A unique concept in itself has been launched at Hotel Janpath.

D. Many new outlets are already in the pipeline and shall be launched soon, some of which are :

  a) International cuisine Resto-Bar at Hotel Samrat

  b) Fine Dining Pan Asian restaurant at Hotel Samrat

  c) Jain Vegetarian cuisine restaurant at The Ashok

Hotels Division (Hotels outside Delhi)

E. There are five ITDC owned Hotels located at Mysore, Patna, Jammu, Bhubaneswar and Jaipur, two DoT properties and one Restaurant at Agra. Recession coupled with high wage bill due to implementation of 6th Pay Commission's recommendation have severely affected the financial performance of the units outside Delhi.

F. Measures such as renovation/ refurbish-ment of product and service are being taken for improving the performance of the units. Major renovation of rooms at Hotel Jaipur Ashok was taken up. Extensive renovation of Hotel Jammu Ashok, Hotel Patliputra Ashok and Hotel Kalinga Ashok commenced and partially completed during the financial year. Renovation of 24 guest rooms and two heritage suite at LMPH, Mysore has also been planned.

G. SWOT Analysis (Hotels Division)

Strength

- The three Delhi based Hotels have most prime locations as compared to most of the competitors.
- Besides, Hotels, complementary businesses providing entire range of tourism experience in one bouquet such as Travels, Events, Sound & Light shows, Duty Free Trade at Airports and Seaports.
- The Ashok has the largest inventory of suites in Delhi. The Ashok has a large number of national and international cuisine restaurants and entertainment outlets under a single roof. The convention facilities at The Ashok and Hotel Samrat are among the largest i.e. from 2000-2500 persons, available among the five star deluxe hotels.
- ITDC has the exclusive task to cater to all the state guests including head of the states visiting the country at Hyderabad House, PM residence, Vigyan Bhawan. The Ashok plays a critical role in providing the support to these VVIP venues.
- ITDC also represents India during all the Indian Food Festivals organized abroad by the respective Indian High Commission/Embassies.

Weakness

- Though highly skilled, the manpower is quite aged as compared to the counterparts in private hotels mainly on account of the HR policies and compulsions.
- ITDC neither have any set up of direct international marketing overseas nor any representatives/consolidators resulting into fewer bookings as compared to the competitors.
- More staff retiring with no recruitments happening, much of the staff is taken on short term contracts. These contractual staff may not be the similar skill level or even with commitment or motivation that is required in the industry to outshine the competition.

Opportunities

- Tourism scenario in India is improving significantly.
- After hosting the CWG 2010 event with grand success, ITDC has once again proved its capabilities in the market. The need from here is to capitalize.
- The presence of the top of the line F&B outlets in ITDC Hotels is making a statement about the company in the market. Through the amalgamation of these brands with ITDC as partners, the gains are likely to be mutual and large.

Threats

- Growing environmental concern by the governments and environmental organizations are resulting into high maintenance costs for hotels, thus becoming the deterrent in achieving higher profitability.
- The existing system of functioning in an industry which gives very little reaction time to meet guest/market demands, is a big deterrent in achieving efficiency.
- Presence of Govt. offices in hotels, on one hand, provide us with consistent, assured and good revenue while on the other hand, the image as 'hotels' is seriously dented by their presence.
- A large room inventory of rooms as a preparation towards CWG 2010 is likely to create an excess post-CWG 2010 which may again impact the business growth.

ii) Ashok Creatives Division

A. The Ashok Creatives continued to play a key role in tourism promotion and developmental projects of the Ministry of Tourism as also for various clients. Since the Division did not win any of the international and domestic campaigns of the Ministry of Tourism, during the year as partnering with an empanelment ad agency did not materialize, concentration has been given to execute creative jobs which is the Division's forte.

B. Advertising assignments were taken up for various Govt. Agencies such as Directorate of Income Tax, Ministry of Tourism etc. Among the new projects, an exclusive Tourism promotion/Informative CD was prepared for West Bengal Tourism; a 10 minute exclusive overview film on the CWG 2010 Delhi for the Organizing Committee; a 30 second film on promotion of Rural Tourism for telecast on national and international electronic media networks and an 8 minute film produced for the Ministry of Women & Child Development.

C. On the Design and Print production front, the Division designed and produced several jobs for various Govt. Departments. Besides exclusive menu cards (in various international languages) for The Ashok Group Restaurants at The Ashok, Hotel Samrat, Hotel Janpath, LMPH etc. have been prepared along with graphic items. In terms of thematic, textual and visual contents, the menus display the Division's exceptional creative inputs.

D. The Ashok Creatives is pioneer in mounting of Sound & Light Shows (SEL) at different locations of the country. The shows at Sarnath (UP), Mehrauli (Delhi), Kanyakumari (Tamil Nadu), Talatal Ghar (Assam), Deoghar (Jharkhand), Hampi (Karnataka) and Ludhiana (Punjab) are at various stages of development. The Show at Madurai has been commissioned and handed over to the Tamil Nadu Authorities for operation. The show at Kumbalgarh (Rajasthan) has also been commissioned and handed over to Rajasthan Tourism. The show at Jalianwalan at Amritsar has been commissioned and is in operation. The show at Purana Quila and upgradation of SEL Show at Red Fort, Delhi as sanctioned by the Ministry of Tourism, are also at advanced stage of implementation. The shows at Ross Island and upgradation of SEL Show at Cellular Jail, Port Blair are sanctioned by Andaman & Nicobar Authorities.

E. With a view to strengthen its commercial base, Ashok Creatives is putting in aggressive efforts for empanelment as a Government Advertising Agency with a similar mandate. To bring in new clients as well as to retain the existing clients, individual panels are being formed for various genres of creative work ranging from designers, text writers, website and portal developers, online applicators, 3 D Animation, walk through animation, OOH digital printers, typesetters, etc. with an objective of i) using their expertise for jobs received by Ashok Creatives and ii) partnering them wherever they can source business for Ashok Creatives to secure assignments in various Government organizations on the basis of public-private partnership as initiated in the recent past.

F. SWOT Analysis

Strength

- Multifarious activities consisting of design and print production, advertising services and business development, mounting and operation of Sound & Light Shows, production of films, TV commercials, etc.

Weakness

- Manpower not exposed to the latest developments in their respective fields through workshops, seminars, etc. held in India and aborad.

Opportunities

- Viewed in the large perspective of creative field, there are several avenues and opportunities for promotion of business if we are fully equipped with the latest facilities.

Threats

- Present competition with Govt. Agencies like DAVP and NFDC who are releasing government advertisements at 85% and foregoing the standard 15% agency commission.

iii) Ashok International Trade Division

A. Through AIT Division, ITDC offers duty free shopping facilities to international travellers.

B. With all the major airport retail operations in India having been bagged by major international player, ITDC is aiming for second rung airports many of which are now in line for getting international status. The Division has been successful in securing right to operate duty free shops in seaports of Chennai, Kolkata and Haldia. The Shop at Chennai Seaport has already started giving profits from a very early stage of its operations. Kolkata and Haldia when these get into full swing are also expected to do well. Two more shops at Vishakhapatnam and Kakinada are expected to go on stream in next 2-3 months. The division is now spreading its net wider for more such seaport shops. The ports of Mumbai and JNPT, Nhava Sheva are the next targets and the talks with these ports are progressing well. A positive outcome is expected from these ports.

C. The advent of private duty free operators in India is set to change the ground rules of business in India compared to what these were when ITDC was the sole operator. The big volumes and fierce competition will come into play, and to stay in competition will need to raise its volume appreciably which can only be done by venturing into other allied areas.

D. Through ITDC Aldeasa Pvt. Ltd. a joint venture company between ITDC and Aldeasa S.A., it is planned, to bid for Duty Free Shops at the upcoming International Airports.

E. SWOT Analysis

Strength

- AIT Division has the unique experience of running operations in multiple locations which comes from having operated duty free shops at all the international airports in India for more than forty years till these were taken over by private operators.

- In addition to traditional merchandise that is retailed through duty free shops, AIT Division has acquired a rich experience of sourcing indigenous merchandise such as tea, handicrafts, organic spices etc. which it can profitably exploit in times to come.

Weakness

- Because of low volume of business, ITDC is losing its attractiveness as a viable Joint Venture business partner for prospective international operators whom we need to be able to bid for future airport concession rights and go to the next level.

- Because of limited space at Goa and Coimbatore airports, our efforts to upgrade shops have been thwarted by airport authorities.

Opportunities

- There are big opportunities emerging in allied areas such as seaports, AIT Division is tapping the opportunities in a big way.

- Diversification into seaports offers best opportunity for redeeming AITD at the earliest.

Threats

- As a shrinking entity, ITDC will not only not have economy of scale, it may also lose its leverage with business partners which enabled it to get good commercial terms and other forms of promotional support over the years to help sustain its business growth.

- Because of its reduced size, ITDC may no more remain a viable partner for a prospective international business partner in a future Travel Retail venture.

iv) Ashok Travels and Tours Division

A. Ashok Travels & Tours – an in house Travel agency of the India Tourism Development Corporation provides all travel related services like Air ticketing/ car rentals/ hotel bookings/ Package Tours etc. to various Ministries, Govt. Departments, Corporate and also to general public.

B. Despite the major fall in tourist traffic in the year 2009-10 because of flu, economic melt down in the west and austerity measures introduced by the Govt. on the travel, ATT Division is poised for the major growth this year and have taken new initiatives to reach the target of ₹ 100 crore in the next two years :

a. On the way to launch the online Travel Portal – which is the need of the hour.

b. Purchasing new fleet of 30 vehicles.

c. Establishing the full fledged tour division – both Domestic and Inbound. ATT is already handling the series of in bound tours from Bangkok for Buddhist sector and Kashmir.

d. New Domestic packages for Kerala, Shimla, Manali, Kashmir and North East.

e. Developing the various choices for the L.T.C. seekers particularly for Govt. Employees.

C. Overall, ATT is reviving and exploring the new avenues for the growth and consolidation of the divison.

D. SWOT Analysis

a. The various strengths of the Division include :

- Good image as Transport Service Provider having excellent network.

- Influence being a government enterprise.

b. There are certain weaknesses including dependency on empanelled operators, poor brand perception, cumbersome decision making and less credibility with suppliers for delay of payments.

c. The opportunity includes launch of ATT portal, the Division being the major transport supplier, there is vast need of transport in Ministries/ Government Departments and PSUs. The threat perception before the Division includes IRCTC is going in a big way for inbound Tours and Hotel Bookings, Direct sale by Air India and tourist service portals by private agencies.

v) Ashok Institute of Hospitality & Tourism Management

A. The Ashok Institute of Hospitality & Tourism Management, an ISO 9001:2000 certified institute run by ITDC in New Delhi has been undertaking Education and Training related activities as a Strategic Business Unit of ITDC.

B. The AIH&TM has been conducting 4 years Bachelor in International Hospitality Business Management course affiliated to the Kurukshetra University (Haryana) and from the last academic year AIH&TM has started the 3 years BBA in International Hospitality affiliated to the IP University, Delhi.

C. Ministry of Tourism, Govt. of India has entrusted 'Capacity Building Training for Service Providers to the AIH&TM as one of its implementing agencies which includes training of stakeholders for the forthcoming CWG 2010 under which the training has been imparted to the CISF jawans, Auto Rickshaw drivers, Unclassified Hotels and the staff of State Emporiums.

D. AIH&TM is doing the training programme in Hospitality skills for BHEL, NTPC, IFS Academy, ITBP, IRCTC, CAG and many more. It is also giving industrial exposure training to Hotel Management students of Govt. and private colleges.

E. AIH&TM has also launched franchising of its courses in the following areas :

a) Bachelors in International Hospitality Business Management.

b) Diploma in Air Hostess, Travel & Hospitality Management.

c) Certificate Courses in Hotel Operational Departments.

F. Under the above franchising arrangements, Agreements have been signed with Institutes in Mumbai, Kolkata and Goa. In addition, a Strategic Alliance Agreement has been signed with the Institute of Learning & Advanced Development (INLEAD), Gurgaon. AIH&TM and INLEAD have jointly launched ASHOK INLEAD SCHOOL OF HOSPITALITY (AISH). AISH has started PG Diploma programmes in Facilities Management; Event Management & PR; Hospitality Operations Management w.e.f. 1.1. 2010.

G. Plan is underway to initiate AIH&TM to affiliate with a prestigious international institute like Cornell University (USA)/ Florida International University (USA)/ Model University (Vienna) to run hospitality management programmes at new residential institute at Kosi, (Delhi - Agra Midway tourist facility on National Highway) and also to set up an Ashok Tourism Security Academy at Kosi, to fill up a huge gap between demand and supply.

H. SWOT Analysis

Strength

- HRD Division of ITDC under the Ministry of Tourism, Government of India
- An ISO 9001-2000 Certified Institution
- ITDC Hotels for training and development of the trainees
- Strategic tie-ups with Kurukshetra University, IP university and Board of Technical Education, Delhi

Weakness

- Lack of adequate infrastructure conforming to AICTE guidelines
- Limited ITDC Faculty strength
- Absence of modern training aids

Opportunities

- Ashok Alliance Hotels Staff Training
- Capacity Building Training on behalf of the Ministry of Tourism, Govt. of India
- Training assignments from State Tourism / Social Welfare / Backward Class / Ministry of DONER.

Threats

- Competition from private and Govt. Institutes
- Absence of regularization of the land in favour of ITDC by L&DO, Govt. of India.

vi) Ashok Consultancy & Engineering Division

A. The Ashok Consultancy & Engineering Division of ITDC works mainly in the following three fields :

a) Execution of Tourism infrastructure projects

b) Consultancy Services to the Ministry of Tourism and State Tourism Departments for Engineering related projects

c) Maintenance, upkeep, renovation, upgradation and expansion of ITDC owned and joint venture Hotels

B. The Engineering Division continued to prepare Detailed Project Reports for the development of major tourist circuits/ destinations in various states of the country. During the CWG 2010, the Division was involved in big way to renovate hotels mainly The Ashok, Samrat and Janpath and furnishing of additional alternative accommodation at Games Village Akshardham and Vasant Kunj, a CWG project.

C. The Engineering Division is also executing tourist infrastructure projects funded by the Ministry of Tourism/various State Governments in the states of Uttar Pradesh, Bihar, Delhi, Arunachal Pradesh, Mizoram, Imphal, Punjab, Puducherry and Guwahati.

D. The Division has also been entrusted with the task of illumination works of prestigious monuments in Delhi for night tourism during the CWG 2010.

E. SWOT Analysis

Strength

- The Engineering Division has taken up and successfully completed projects in extreme and remote areas of the country in different geographical and weather conditions.
- The Division has carried out major renovation of its properties with the latest state-of-the-art technology.

Weakness

- Being a government organization, strict and lengthy procedures are to be followed for awarding and execution of projects.
- With project scattered all over the country, the cost of manpower is high as large number of people need to be deputed for individual projects.

Opportunities

- Most of the far flung states of the country having tremendous tourism potential are still lagging even for the basic facilities to tourists. Infrastructure needs to be developed at faster pace, for which, the division can be a Nodal agency of the Ministry of Tourism.

Threats

- Many new entrants are entering in the market in private sector, who provide solutions at a much cheaper cost due to less procedures being followed.

vii) Event Division

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

B. The Event Management Division has handled more than 80 events during the year 2009-10 including AARDO Conference, CABE Conference, National Tourism Awards, Ministerial Meeting on Re-engineering Doha, Golden Jubilee Celebrations of IOC, Regional Conference of State Tourism Ministers, SAARC, CWG Security Meeting, Delhi High Level Conference on Climate Change. The Grand Prix Award conferred on the Incredible Award and Television commercial produced in 2008, UNWTO- Japanese Symposium on Encouraging Tourism Exchange in India, NAREGA Mela 2010 etc. The Division also designed and fabricated various exhibitions like the SARAS Pavilion at IITF etc.

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

D. SWOT Analysis

Strength

- Being a Government Company, it enjoys the confidence of ministries/departments/PSUs of the Government of India.
- As a government organization, all codal formalities are complied with and thus there is transparency, which also finds favours with the government organizations.

Weakness

- Though working in the present business scenario which calls for immediate fulfillment of client's needs & aspirations, time consuming approval process negates the prompt deliverance and also involves lot of paper work.

Opportunities

- The Ministry of Tourism, Government of India has signed an MoU with ITDC – ARMS as being their preferred and only event management company. This gives impetus to the status of ITDC – ARMS as being Government of India's preferred event managers.

Threats

- Government owned PSU's viz. IRCTC, Balmer Lawrie & Co. are now entering the foray of event management services and could at a later date pose a threat to ITDC – ARMS.

viii) Corporate Marketing Division

The Corporate Marketing Division has been handling promotion and marketing of ITDC Hotels and the reservation of ITDC Hotels is undertaken by its Centralized Reservation Service.

ix) Furnishing of DDA flats at Commonwealth Games Village at Akshardham and Vasant Kunj

A. ITDC has been entrusted with the task of supplying & installation of furniture & furnishing of 1101 flats at Commonwealth Games Village at Akshardham and 2709 DDA flats at Vasant Kunj. Accordingly MoUs were entered into between ITDC and DDA by which ITDC shall procure, supply, install and fix the furniture/fixtures as per standards prescribed by DDA and DDA shall pay the full awarded amount of supply/work as per supply / work order issued by ITDC to the suppliers and contractors. It was also agreed that DDA shall pay 10% Departmental charges over and above the full awarded amount of supply/work order. However, DDA could not be able to complete the construction and handover the entire 2709 flats at Vasant Kunj to ITDC. Accordingly, it was proposed that ITDC would only be furnishing 1087 flats handed over to it in different categories in Vasant Kunj.

B. ITDC completed the furnishing of 1101 flats spread over in 34 Towers at Akshardham Games Village and 1087 flats at Vasant Kunj and handed over to Organizing Committee (CWG)/DDA. Besides as a part of CWG project, ITDC also managed operations in the flats furnished at Vasant Kunj as regular hotels during the Games period for CWG officials.

Outlook

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

ii. The creation of niche tourism products like heliport tourism, medical tourism, wellness tourism, adventure tourism, cruise tourism and caravan tourism has served to widen the network of this sector. A major step has been the issuing of guidelines for five-year tax holiday has been obtained to promote the growth of new hotels.

iii. Due to CWG 2010 with the completion of major renovation/upgradation and latest technological advancement of our flagship hotels in Delhi and outside Delhi, it is expected that the Corporation would achieve significant growth in coming years.

Risk and Concerns

i. Tourism is a sensitive product. It is very much affected by internal and external factors like global recession, terrorist activities, pandemics etc. Further post CWG, the hotels in Delhi may be oversaturated with rooms which may affect the business growth.

ii. The implementation of the 6th Pay Commission's recommendations has enormously hiked the wage cost which is in no way comparable with the existing standards prevalent in the private sector. Further ITDC is also facing the problem of unskilled and aged manpower coupled with more staff retiring in the Senior Management Category with no recruitment happening. Much of the staff is taken on short term contracts. This contractual staff may not be of similar skill level or even with commitment or motivation that is required in the industry to outshine the competition.

Internal Control

i. The Corporation has adequate internal control system commensurate with its needs. An internal audit team headed by the Chief Internal Auditor periodically reviews all control systems and assists in monitoring and upgrading the effectiveness of control system. Further in order to strengthen internal control system and internal checks in the organization, an internal audit cell at Corporate Headquarter has been established.

ii. The Corporation has introduced an Internal Audit Manual which has been prepared by the Institute of Public Auditors of India. The Internal Auditors have been advised to follow the Internal Audit Manual.

Human Resource Management and Industrial Relations

i. The total number of employees in the Corporation was 2407 as on 31.3.2009 and 2244 as on 31.3.2010 (Excluding 85 employees as Direct Contract as on 31.3.2010). Out of 2244 employees, 659 employees belong to Scheduled Castes (SCs), 51 belong to Scheduled Tribes (STs) and 98 to other Backward Classes (OBCs). 41 employees were recruited during the financial year 2009-10, out of which 05 employees belong to Scheduled Castes (SCs), 01 belong to Scheduled Tribes (STs) and 11 to Other Backward Classes. However, 82 employees were promoted, out of which 15 employees belong to Scheduled Castes (SCs), 02 employees belong to Scheduled Tribes (STs) and 03 to Other Bakcward Classes. Further, there are 302 Women employees working in ITDC as on 31.3.2010 constituting 13.45% of the total workforce of the Corporation. Of these 74 are at Executive level and 228 are at non-executive level.

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

Cautionary Statement

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

Annexure-II

Report on Corporate Governance for the year 2009-10

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 2009-10, the Board had following composition :-

(A) Executive Directors

Shri Sanjay Kothari, Chairman & Managing Director w.e.f. 1.12.2009 to 21.4.2010

Shri Parvez Dewan, Chairman & Managing Director, ceased w.e.f. 1.12.2009

Shri P.P. Singh, Director(Finance), ceased w.e.f. 1.3.2010

Shri Rajiv Makin, Director(C&M), ceased w.e.f. 1.8.2010

(B) Non-Executive Directors

(a) Part-time Government Directors

Shri E. K. Bharat Bhushan

Smt. Leena Nandan, ceased w.e.f. 23.12.2009

(b) Independent Part-time Directors

Shri Ashok Pahwa (ceased w.e.f. 17.4.2010)

Shri Romesh Chopra (ceased w.e.f. 17.4.2010)

Shri Jose Dominic (ceased w.e.f. 17.4.2010)

Shri Zubin Karkaria (ceased w.e.f. 19.7.2010)

Prof. (Dr.) Jyotindra Jain (ceased w.e.f. 19.7.2010)

With the completion of tenure of Independent Directors in April and July 2010 respectively and superannuation of Director(C&M) in July 2010, the Board presently comprises of Chairman & Managing Director, Director(Finance) and two part-time Government Directors, as under:

(A) Executive Directors

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

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

(B) Non-Executive Part-time Government Directors

Shri E.K. Bharat Bhushan

Shri Anand Kumar w.e.f. 7.7.2010

The matter of appointment of Independent Directors is under consideration of the Ministry. It may be stated that the Corporation follows guidelines and policies evolved by the Central Government with respect to the structure, composition, selection, appointment and service condition of its Board of Directors and senior management personnel.

2 (a) Board Procedure

Nine meetings of the Board of Directors were held during the year 2009-10 (24th April, 2009; 6th May, 2009; 31st July, 2009; 14th September, 2009; 30th September, 2009; 30th October, 2009; 8th December, 2009; 28th January, 2010 & 8th March, 2010) and the attendance of Directors there at 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)
Shri Sanjay Kothari C&MD**	03	03	No
Shri Parvez Dewan C&MD***	06	06	N.A.
Shri E.K. Bharat Bhushan JS&FA	09	04	No
Smt Leena Nandan JS(T)@	07	03	No
Shri Ashok Pahwa	09	08	Yes
Shri Romesh Chopra	09	05	No
Shri Jose Dominic	09	02	No
Prof. (Dr.) Jyotindra Jain	09	04	No
Shri Zubin Karkaria	09	01	No
Shri P.P. Singh, Director (Finance)@@	08	08	Yes
Shri Rajiv Makin, Director (C&M)	09	08	Yes

*** Joined as C&MD w.e.f. 1.12.2009 and ceased w.e.f. 21.4.2010*
**** Ceased to be C&MD w.e.f. 1.12.2009*
@ Ceased to be Director w.e.f. 23.12.2009
@@ Ceased to be Director (Finance) w.e.f. 1.3.2009

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

2(b) Other Directorships

The details of Directorships in other Companies (excluding Private Limited Companies which are not the subsidiary of a Public Ltd. Company, Foreign Companies and the Companies formed and registered under section 25 of the Companies Act 1956) and the Committee Memberships held by the Directors in such companies during 2009-10 was as under:-

Name of the Director	No. of other Directorships	Board Committees of other companies in which he is a Member/Chairman
Shri Sanjay Kothari, C&MD**	09	Nil
Shri Parvez Dewan C&MD***	09	Nil
Shri E.K. Bharat Bhushan, JS&FA	07	03
Smt. Leena Nandan, JS(T)@	Nil	Nil
Shri Ashok Pahwa	01	Nil
Shri Romesh Chopra	Nil	Nil
Shri Jose Dominic	01	Nil
Prof. (Dr.) Jyotindra Jain	Nil	Nil
Shri Zubin Karkaria	Nil	Nil
Shri P.P. Singh Director (Finance)@@	08	Nil
Shri Rajiv Makin, Director (C&M)	08	Nil

*** Joined as C&MD w.e.f. 1.12.2009 and ceased w.e.f. 21.4.2010*
**** Ceased to be C&MD w.e.f. 1.12.2009*
@ Ceased to be Director w.e.f. 23.12.2009
@@ Ceased to be Director (Finance) w.e.f. 1.3.2009

2(c) Pecuniary relationship or transactions of the Directors

The Corporation did not have any pecuniary relationship or transactions with its non-executive Directors during the period under review. Directors make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are Directors. The Independent part-time Directors are paid only sitting fees of ₹ 1,000/- for each Board/Committee meeting attended by them. The C&MD and the functional directors being the whole time employees of the Corporation and are being paid salary according to the scale to which they have been appointed.

2(d) Code of Conduct

The Code of Conduct for the Board members and the Management Personnel (from the rank of Assistant Manager and above) of the Corporation, as adopted by the Company, was posted on the website of the Corporation. The Corporation has obtained affirmation of compliance of the Code of Conduct by the Board Members and the Management personnel.

2(e) Management Discussion and Analysis

Management Discussion and Analysis Report form 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 2009-10, the Audit Committee was headed by an Independent Director. The composition of Audit Committee was as under:-

Name of the Director	Status	Remarks
Shri Ashok Pahwa, Director*	Chairman	Independent & Non-Executive
Shri E.K. Bharat Bhushan, Director	Member	Non-Independent & Non-Executive
Shri P.P. Singh, Director (Finance)**	Member	Non-Independent & Executive
Shri Romesh Chopra, Director*	Member	Independent & Non-Executive
Shri Jose Dominic, Director*	Member	Independent & Non-Executive
Prof. (Dr.) Jyotindra Jain, Director***	Member	Independent & Non-Executive

* Ceased to be Director w.e.f. 17.4.2010
** Ceased to be Director w.e.f. 1.3.2010
*** Ceased to be Director w.e.f. 19.7.2010

With the completion of tenure of Independent Directors in April and July 2010 respectively, the Audit Committee, presently, is headed by Shri E.K. Bharat Bhushan, part-time Government Director. The other members of the Committee are S/Shri Anand Kumar, Director and Pradeep Kumar Agarwal, Director(Finance). The matter of appointment of Independent Directors is under consideration of the Ministry.

The Company Secretary is the Secretary to the Committee. The Committee also invites Statutory Auditors, Internal Audit Head 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:-

A) 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.

B) Reviewing with the management, internal and statutory/branch auditors, the adequacy of internal control systems.

C) 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.

D) Approval of payment to statutory/ branch auditors for any other services.

E) Discussions with internal auditors on any significant findings and follow-up action.

F) 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.

G) 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.

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

a. Any change in accounting policies and practices.

b) Major accounting entries based on exercise of judgment by management.

c) Qualifications in draft audit report of statutory auditors

d) Significant adjustments arising out of audit.

e) The going concern assumptions

f) Compliance with accounting standards

g) Compliance with stock exchange and legal requirements concerning financial statements.

h) Any related party transactions i.e. transaction of the Corporation of material nature, with the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Corporation at large.

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.

I) Reviewing the Corporation's Financial and Risk Management Policies.

J) 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, five meetings of the Audit Committee were held on 23.4.2009, 30.7.2009, 29.10.2009, 8.12.2009 and 28.1.2010. The attendance of the members in the meetings was as under:-

Name of the Member	No. of Audit Committee Meetings attended out of five held
Shri Ashok Pahwa, Chairman	04
Shri E.K. Bharat Bhushan	02
Shri Romesh Chopra	02
Prof. (Dr.) Jyotindra Jain	04
Shri Jose Dominic	-
Shri P.P. Singh, Director (Finance)	05

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

(4) Remuneration Committee

i. 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. Although as per DPE guidelines on Corporate Governance, the Board had constituted a Remuneration Committee on 30th January, 2009 consisting of the following directors :

a. Shri Ashok Pahwa, Chairman

b. Shri E.K. Bharat Bhushan or his nominee, Member

c. Shri P.P. Singh, Member

d. Head of the HR Division, Member Secretary

ii. The terms & reference of the Remuneration Committee will be 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.

iii. Now with the ceasing of Shri Ashok Pahwa and Shri P. P. Singh from the Directorship of the company, the committee needs to be reconstituted and will be constituted after the induction of the new non-official directors.

iv. Pay and allowances of employees are based on the Central DA / Industrial DA pattern as decided by the Government from time-to-time.

v. 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 2009-10 were as under:-

Payment made to key management personnels and their relatives:

Remuneration	:	₹ 35.14 lakh
Sitting Fees	:	₹ 0.33 lakh
Total	:	₹ 35.47 lakh

(5) Share Transfer Committee

i. The Committee on Transfer of Shares considers and approves the share related matters, transfers/transmissions of shares, issue of duplicate shares etc. Company Secretary is the Compliance Officer to monitor the share transfer process and liaison with the regulatory authorities. The Committee was comprised of the following:-

Shri Sanjay Kothari, C&MD Appointed w.e.f. 1.12.2009 to 21.4.2010
Shri Parvez Dewan, C&MD Ceased to be C&MD w.e.f. 1.12.2009
Shri E. K. Bharat Bhushan, Director
Smt. Leena Nandan, Director Ceased to be Director w.e.f. 23.12.2009
Shri P.P. Singh, Director (Finance) Superannuated on 28.2.2010
Shri Rajiv Makin, Director (C&M) Appointed w.e.f. 1.3.2010 and ceased w.e.f. 1.8.2010

ii. The present composition of Share Transfer Committee is as under:-

Dr. Lalit K. Panwar, C&MD*	:	Chairman
Shri E.K. Bharat Bhushan, Director	:	Member

* Joined as C&MD w.e.f. 21.4.2010

iii. Meetings: During the year, three meetings of Share Transfer Committee were held i.e. on 29.6.2009, 12.2.2010 and 16.3.2010 and the attendance details was shown against each, as under:

Name of the Director	No. of Meeting(s) held during tenure	No. of Meeting(s) attended
Shri Sanjay Kothari, C&MD	2	1
Shri Parvez Dewan, C&MD	1	1
Shri E.K. Bharat Bhushan Director	3	Nil
Smt. Leena Nandan, Director	2	Nil
Shri P.P. Singh, Director (Finance)	2	2
Shri Rajiv Makin, Director (C&M)	1	1

(6) Redressal of Shareholders / Investors Grievances Committee

i. The Committee on redressal of Shareholders/Investors Grievances comprises of :-

Shri E.K. Bharat Bhushan, Director	:	Chairman
Shri Sanjay Kothari, C&MD*	:	Member
Shri Parvez Dewan, C&MD**	:	Member
Smt Leena Nandan, Director***	:	Member
Shri P.P. Singh, Director(Finance)@	:	Member
Shri Rajiv Makin, Director(C&M)@@	:	Member

*Appointed C&MD w.e.f. 1.12.2009 to 21.4.2010
** Ceased to be C&MD w.e.f. 1.12.2009
***Ceased w.e.f. 23.12.2009
@ Ceased w.e.f. 1.3.2010
@@ Appointed w.e.f. 1.3.2010

ii. Presently, the Committee consists of C&MD-ITDC as the Chairman and Shri E.K. Bharat Bhushan as Member.

iii. During the year, no meeting of Committee on Redressal of Shareholders/Investors Grievances was held. Further, four complaints were received and resolved and no complaint was pending at the end of the financial year 2009-10.

(7) General Body Meetings

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

Financial Year ended	Day & Date	Time	Venue
31.3.2007	22.4.2008 (Tuesday)	1600 hrs	Ashok Hotel New Delhi-110021
31.3.2008	6.3.2009 (Friday)	1600 hrs	Ashok Hotel New Delhi-110021
31.3.2009	31.12.2009 (Thursday)	1600 hrs	Ashok Hotel New Delhi-110021

Note: All the resolutions as set out in the respective AGM Notices were duly passed by the Members. No resolution was passed by Postal Ballot during the year under review. During the year, one extra-ordinary General Body Meeting was held on the 6th July, 2009.

(8) Disclosures: Status

The status is under:

(i) *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.

(ii) *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.

(iii) *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.

(iv) The Corporation has complied with all the mandatory requirements of Clause 49.

(v) 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 Chairman & MD and the Functional Directors, which have been delegated from the Board, have been specified in the DOP of C&MD and the DOP of Functional Directors respectively. 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 their respective 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.

(10) Subsidiary Companies

The Corporation does not have any material unlisted subsidiary as per explanation provided in Clause 49 E (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 24.4.2009, 31.7.2009, 28.1.2010 and 8.3.2010.

(11) Policy on Insider Trading

i. 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.

ii. 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 as detailed hereunder are sent to the Stock Exchanges immediately after they are approved by the Board. These are published in leading English and local language newspapers, 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.

Sl. No.	Nature of Communication	Type of Publication	Date
(i)	Quarterly unaudited financial results (1st Quarter of 2009-10)	Statesmen, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	2.08.2009 2.08.2009
(ii)	Quarterly unaudited financial statement (2nd Quarter)	Statesman, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	31.10.2009 31.10.2009
(iii)	Quarterly unaudited financial results (3rd Quarter)	Statesman, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	30.1.2010 31.1.2010
(iv)	Quarterly unaudited financial results (4th Quarter)	Statesman, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	13.5.2010 13.5.2010
(v)	Annual Report and Annual Accounts for 2008-09	By UPC	9.12.2009
(vi)	Forwarded to Stock Exchanges	Unaudited results 1st Quarter Unaudited results 2nd Quarter Unaudited results 3rd Quarter Unaudited results 4th Quarter Audited Accounts (2008-09)	31.7.2009 30.10.2009 28.1.2010 11.5.2010 8.12.2009

(13) General Shareholder Information

(i) *AGM*: The Ministry of Corporate Affairs (MCA) vide their letter No. 9/132/2008-CL.V dated the 27th/29th September, 2010 had granted extension of time up to 31st December, 2010 for holding the AGM.

(ii) Financial Year: 1st April to 31st March

(iii) Book Closure: 29th December, 2010 and 30th December, 2010 (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 2009-10 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 SGC 004363.

(v) *Market Price data*: High and Low of ITDC market share price on Bombay Stock Exchange, number of shares traded, turnover in 2009-10 are summarized under:-

Month	Rupees High	Rupees Low	Number of Shares Traded	Total Turnover (₹)
Oct. 2009	104.55	104.55	100	10,455.00

(vi) *Registrar & Share Transfer Agent:*
KARVY CUMPUTERSHARE PVT. LTD.
Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad - 500081
Contact person : Mr. V. K. Jayaraman/
Mr. Mahindra Singh
e-mail : 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 31.3.2010, was as under:-

Category	No. of Shareholders	No. of Shares held	% of Shareholding
President of India	1	7,90,00,500	92.108
Indian Hotels Co. Ltd.	1	67,50,275	7.870
Employees and General Public	99	18,625	0.022
Total	101	8,57,69,400	100.00

The distribution of shareholding as on 31st March, 2010, was as under: -

Nominal Value	No. of Share-holders	% of Total Shareholders	No. of Shares held	% of Total Shares held
Up to 5,000	97	96.040	14825	0.017
5001 - 10,000	1	0.990	900	0.001
10,001 - 1,00,000	1	0.990	2900	0.003
1,00,001 & above	2	1.980	85750775	99.978
Total	101	100.00	85769400	100.00

Note: During the year, 1,82,50,000 number of shares has been allotted to President of India through preferential allotment on 14.09.2009 @ ₹ 40/- per share (including premium of ₹ 30/- per share) against share application money received in December 2007. Due to this, the Paid-up Share Capital has been increased to ₹ 85,76,94,000/- comprising of 8,57,69,400 shares of ₹ 10/- each.

As a result of preferential allotment and pursuant to SEBI DIP Guidelines, the entire holding of the allottee i.e. Hon'ble President of India has/had gone in lock in as under :-

6,07,50,500 Equity shares (pre-preferential holding)	Six months
20% of the post paid-up capital i.e. 1,71,53,880 Equity shares	Three years
Difference of newly allotted shares and 20% of the Post paid-up capital i.e. 10,96,120 Equity Shares	One year

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

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

KARVY CUMPUTERSHARE PVT. LTD.
Plot No. 17 to 24, Vithal Rao Nagar
Madhapur, Hyderabad-500081
Contact person : Shri V.K. Jayaraman/
Shri Mahindra Singh
e-mail : 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 31st July, 2010
2nd Quarterly Results	: on or before 31st October, 2010
3rd Quarterly Results	: on or before 31st January, 2011
4th Quarterly Results	: on or before 30th April, 2011
AGM for the year ending 31st March, 2010	: Thursday, the 30th December, 2010 Extension of time up to 31st December, 2010 was obtained from the Ministry of Corporate Affair for holding the AGM.

(xv) There was no complaint of the shareholders/Investors forwarded to the Corporation by SEBI, Stock Exchanges and Ministry of Corporate Affairs during 2009-10. 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 2009-10, are as under:-

Particulars	Received and outstanding at the beginning of the year	Redressed	Pending with Investors for completing procedural formalities
Non-receipt of Dividend	1	1	Nil
Dematerialisation of Shares reg	1	1	Nil
Others	2	2	Nil

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

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

(14) Implementation of Voluntary Guidelines on Corporate Governance

It may be stated that 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 :

- Appointment of Directors is made by the President of India through the Administrative Ministry i.e. Ministry of Tourism (MoT). MoT has been advised to issue a formal letter mentioning therein the expectation of the Board from the new appointee.
- As per DPE guidelines, the CEO of the CPSU is the Chairman and Managing Director of the CPSU.
- 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.
- As per DPE Guidelines, Independent Directors are appointed for three years.
- Independent Directors have absolute freedom in calling upon any Head of Division for calling any information/explanation. Further time to time, Meeting of the Non-executive members of the Board with Heads of Division of the Corporation are arranged.
- The whole time Directors are the full time employees of the Corporation. The nominee directors serving the Board on behalf of the promoter i.e. Govt. of India are not being paid any remuneration. Only independent directors are being paid sitting fee @ ₹ 1000/- per meeting.
- As per DPE guidelines, performance of C&MD and the functional directors are reviewed through the Administrative Ministry i.e. the Ministry of Tourism in consultation with the PESB.
- Audit of Internal control system / Internal audit is done by the internal auditors who are appointed by the Comptroller & Auditor General of India (C&AG), an independent Government body. 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, the RTI Act, 2005 along with the strong Audit Committee, 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, 2010.

For India Tourism Development Corporation Ltd.

Sd/-

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

Annexure - II(i)

CEO/CFO Certification

It is certified that:

(a) We have reviewed financial statements and the Cash Flow Statement for the year ended 31st March, 2010 and that to the best of our knowledge and belief:

(i) Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or statements that might be misleading; and

(ii) These statements together present a true and fair view of the Corporation's affairs and are in compliance with existing accounting standards read along with explanation given relating to departures, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Corporation during the year which are fraudulent, illegal or violative of the Corporation's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Corporation and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

(i) There have been no significant changes in internal control during the year;

(ii) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and

(iii) Instances of significant deficiencies in the Corporation's internal control system including frauds, if any.

For and on behalf of
India Tourism Development Corporation Ltd.

(P.K. Agarwal)
Director (Finance)

(Dr. Lalit K. Panwar)
Chairman & MD

Place: New Delhi
Dated: 7.12.2010

Annexure - II(ii)

Auditors' 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, 2010, 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, 2010 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, subject to the following:-

   As required by Para IV C of the Clause 49 of the Agreement, we are informed that the Corporation is in the process of preparing a risk management policy.

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 Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
M. No. 081784

Place : New Delhi
Date : 7.12.2010

Appendix

The Network of ITDC Services
(as on 31st March, 2010)

A. ASHOK GROUP OF HOTELS

1. Ashok Hotel, New Delhi
2. Hotel Samrat, New Delhi
3. Hotel Janpath, New Delhi
4. Hotel Jammu Ashok, Jammu
5. Lalitha Mahal Palace Hotel, Mysore
6. Hotel Patliputra Ashok, Patna
7. Hotel Jaipur Ashok, Jaipur
8. Hotel Kalinga Ashok, Bhubaneswar

B. RESTAURANTS

1. Taj Restaurant, Agra
2. Airport Restaurant, Delhi (Closed operations in July 2010)

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 Arrival Lounge	1
2.	Goa Airport Departure Lounge	1
3.	Coimbatore Airport Arrival Lounge (Opened in August 2009)	1
4.	Chennai Seaport DFS (Opened in May 2010)	1
5.	Kolkata Seaport DFS (Opened in September 2010)	1
6.	Haldia Seaport DFS (Opened in September 2010)	1
	Total	6

E. SOUND & LIGHT SHOW

1. Red Fort, Delhi

F. JOINT VENTURE HOTELS

1. Hotel Brahmaputra Ashok, Guwahati
2. Hotel Ranchi Ashok, Ranchi
3. Hotel Nilachal Ashok, Puri (closed operations since 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 at Hyderabad House, New Delhi
2. Western Court Catering Service, New Delhi
3. Ashok Mayur Restaurant at Vigyan Bhawan, New Delhi
4. Media Press Centre at Shastri Bhawan, New Delhi

Annexure - III

Replies to the Comments contained in Statutory Auditors' Report to the Shareholders on the Accounts for the Year ended 31st March, 2010

Sl. No.	Para No.	Management Reply
1	4(i)	The demands of ESI are being contested before the appropriate judicial/ appeallate authorities and pending finality in the matters, the same have been shown as Contingent Liabilities in Notes to Accounts(Refer Note No. 1(a)(i) under the claims against the company not acknowledged as debts), as per the Accounting Policy of the Company. Also please Refer Note No. 2(b).
2	4(ii)	Refer Note No. 6(a)(i), 6(a)(ii),6(e)(ii) of Notes to Accounts in Schedule 12. 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 most of the subsidiary companies except Hotel at Puri (which is operationally closed), have now shown improving trends and are making payment towards management fee and repayment of loans. As the repayment of loans/interest due thereon and management fees is not commensurate with the amount charged to them every year, the Corporation has decided to postpone the accounting for such income from these companies (viz management fees and interest on loan given) to actual realisation from 2008-09 onwards, which is in accordance with the provisions of Accounting Standard-9 on Revenue Recognition. However, in view of the improved performance and intrinsic value of properties/assets of these subsidiary companies, the amount of investments, amount recoverable from these companies has been considered as good for recovery.
3	4(iii)(a)	Position has been explained in Note No. 2(c) of the Notes to Accounts in Schedule 12.
4	4(iii)(b)	Refer Note No. 4 of Notes to Accounts in Schedule 12.
5	4(iv)	Refer Note No. 8 on Disinvestment in Schedule 12 on Notes to Accounts.
6	4(v)	Refer Note No. 3(b) of Notes to Accounts in Schedule 12.
7	4(vi)	Refer Note No. 6(c) and 7(b) of Notes to Accounts in Schedule 12.
8	4(vii)	Refer Note No. 4(g) and 4(h) of Notes to Accounts in Schedule 12.

Sl. No.	Para No.	Management Reply
9	4(viii)	Refer Note No. 6(b) of Notes to Accounts in Schedule 12. 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.
10	4(ix)	Though there are prescribed conditions for charging interest/levying damages on overdue amounts, the Corporation is not impressing upon levying of the same in view of the trade practice, the Corporation is making all out efforts to realise the amounts due at the earliest.
11	4(x)	Refer Note No. 11 (b) of Notes to Accounts in Schedule 12.
12	5(a)	Regarding non-receipt of information and explanation for the status of dues payable/recoverable to/from M/s NBCC refer Note No. 6(c) of Notes to Accounts in Schedule 12. As regards confirmation of amount recoverable from demerged units refer Note 8(b) of Notes to Accounts in Schedule 12.
13	5(e)	The Inventories are valued at lower of the cost or net realisable value as per the Accounting Policy of the Company which is in accordance with Accounting Standard—2 on Valuation of Inventories. Provision for diminution in the value of inventories is also made against the slow moving/non-moving/obsolete inventory items for which the estimated realisable value is expected to be lower than the cost. Regarding non-amortisation of lease charges in respect of Hotel Samrat, New Delhi, refer Note No. 4(c) of Notes to Accounts in Schedule 12. Regarding conversion of balance with foreign bank in Iraqi Dinar at the rates prevailing as on 31.3.1991, refer Note No. 7 (a) of Notes to Accounts in Schedule 12. The balance being doubtful of repatriation, provision has been made in accounts. The information to the extent available has been disclosed and the observation of the audit is noted for compliance in the next financial year. Refer Note No. 13(v) of Notes to Accounts in Schedule 12. However, the concerned units have been advised to disclose the requisite information to the extent possible. Refer Note No. 13(viii) of Notes to Accounts in Schedule 12.

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. 1).
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, 2010

Sl. No.	Para No.	Management Reply
1	5(i)	The demands of ESI are being contested before the appropriate judicial/ appeallate authorities and pending finality in the matters, the same have been shown as Contingent Liabilities in Notes to Accounts(Refer Note No. 2(a)(i) under the claims against the company not acknowledged as debts), as per the Accounting Policy of the Company. Also please Refer Note No. 3(b).
2	5(ii)(a)	Position has been explained in Note No. 3(c) of the Notes to Accounts in Schedule 12.
3	5(ii)(b)	Refer Note No. 5 of Notes to Accounts in Schedule 12.
4	5(iii)	Refer Note No. 8(b) of Notes to Accounts in Schedule 12.
5	5(iv)	Refer Note No. 4(b) of Notes to Accounts in Schedule 12.
6	5(v)	Refer Note No. 6 (b) and 7(b) of Notes to Accounts in Schedule 12.
7	5(vi)	Refer Note No. 5(g) and 5(h) of Notes to Accounts in Schedule 12.
8	5(vii)	Refer Note No. 6(a) of Notes to Accounts in Schedule 12. 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.
9	5(viii)	Though there are prescribed conditions for charging interest/levying damages on overdue amounts, the Corporation is not impressing upon levying of the same in view of the trade practice, the Corporation is making all out efforts to realise the amounts due at the earliest.
10	5(ix)	Refer Note No. 11 (b) of Notes to Accounts in Schedule 12.
11	5(x)	Position has been explained in Note No. 14 of the Notes to Accounts in Schedule 12.

Annexure - VI

Statement pursuant to exemption under Section 212(8) of the Companies Act,1956 relating to subsidiary companies as on 31st March, 2010

(Amount in ₹)

Name of the Company	Financial Year	Share Capital	Reserves (Net of Accumulated Losses)	Total Assets	Total Liabilities	Details of Investment (except in case of Investment in Subsidiaries)	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
Ranchi Ashok Bihar Hotel Corporation Ltd.	2009-10	71,60,000	(1,96,10,143.88)	2,52,69,395	3,77,19,539	-	2,78,30,679	16,08,227	6,07,142	10,01,085	-
	2008-09	71,60,000	(2,06,11,228.00)	2,35,48,066	3,69,99,294	-	2,75,53,309	31,07,968	11,19,849	19,88,119	-
MP Ashok Hotel Corporation Ltd.	2009-10	1,60,00,000	(3,18,86,833.11)	5,06,18,624	6,65,05,457	-	4,83,33,743	85,18,097	13,57,394	71,60,703	-
	2008-09	1,60,00,000	(3,90,47,536.07)	4,74,38,797	7,04,86,333	-	5,05,08,443	7,69,512	60,870	7,08,642	-
Pondicherry Ashok Hotel Corporation Ltd.	2009-10	60,00,000	75,10,378.00	3,12,92,909	1,77,82,531	-	2,36,90,578	21,75,936	12,62,479	9,13,457	-
	2008-09	60,00,000	65,96,921.00	2,82,12,463	1,56,15,542	-	2,53,74,487	52,61,131	14,97,905	37,63,226	-
Utkal Ashok Hotel Corporation Ltd.	2009-10	4,80,00,000	(18,25,22,440.25)	1,15,40,866	14,45,61,306	-	-	(1,59,57,142)	-	(1,59,57,142)	-
	2008-09	4,80,00,000	(16,50,65,298.00)	1,21,76,118	12,92,41,416	-	3,43,600	(1,39,48,666)	-	(1,39,48,666)	-
Punjab Ashok Hotel Company Ltd.	2009-10	2,50,00,000	(12,65,475.99)	2,70,90,472	33,55,948	-	-	(11,230)	-	(11,230)	-
	2008-09	2,50,00,000	(12,54,246.00)	2,70,01,274	32,55,520	-	-	(54,986)	-	(54,986)	-
Donyi Polo Ashok Hotel Corporation Ltd.	2009-10	99,75,000	77,10,191.36	2,49,26,545	72,41,354	-	2,30,07,283	21,26,013	14,01,128	7,24,885	-
	2008-09	99,75,000	69,85,307.00	2,62,87,189	93,26,882	-	1,90,87,440	50,76,354	15,78,419	34,97,935	-
Assam Ashok Hotel Corporation Ltd.	2009-10	1,00,00,000	(5,33,39,454.96)	4,14,37,252	8,47,76,707	-	3,78,30,910	(1,18,40,688)	-	(1,18,40,688)	-
	2008-09	1,00,00,000	(4,14,98,767.00)	5,39,97,639	8,54,96,406	-	5,54,66,624	44,32,415	4,53,200	39,79,215	-

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

1. We have audited the attached Balance Sheet of India Tourism Development Corporation Limited, New Delhi as at 31st March, 2010, the Profit & Loss Account 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. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. 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.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :

   i) *There are demands of ₹ 465.81 Lakh (Previous Year ₹ 436.60 Lakh) from ESI authorities in respect of ESI dues, which are being disputed by the Corporation and not provided for (Refer Note No. 2(b)).*

   ii) *The Corporation is due ₹ 1,755.17 Lakh as at 31.03.2010 (₹ 2,100.99 Lakh up to 31.03.2009) 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 31.03.2010 of ₹ 729.10 Lakh (Previous Year ₹ 729.10 Lakh). The management has represented to us that these investments are of long term nature and the shortfall/ diminution in their value is not permanent and that the intrinsic value of assets owned by these companies is considerable to recover the dues and cost of investments, though some of the companies are non-operational and the present net worth of most of these companies is in the negative (Refer Note Nos. 6(a)(i) & (ii)).*

iii) (a) *Compensation payable to a party, whose premises were under occupation by the Corporation's ATT Division, Delhi up to 28.2.2007 has not been provided as determination / quantification by the Commissioner appointed for the purpose is pending. [Refer Note No. 2(c)].*

(b) *Lease rent / registration fee/ ground rent / depreciation due to non-finalization of terms of purchase/lease/title deeds of land and buildings have not been provided for. [Refer Note No. 4]*

iv) *Amount of ₹ 1,326.12 Lakh (Previous Year ₹ 1,326.12 Lakh) shown as recoverable from demerged units for the period from 1st April, 2001 till the date of physical transfer on account of funds transferred and expenses incurred on behalf of the said units, but not received till date, has been considered good of recovery by the management. [Refer Note No. 8(b)].*

v) *Impairment in the value of assets / partly completed assets aggregating to ₹ 209.69 Lakh (Previous Year ₹ 206.56 Lakh) included under capital work-in-progress has not been provided. [Refer Note No. 3(b)].*

vi) *Pending reconciliation / receipt of detailed statement of accounts from NBCC, provision has not been made for interest payable to/recoverable from and amount due from NBCC pertaining to Iraq Project. Effect on the accounts on due receipt / adjustment / accounting thereof cannot be indicated at this stage. [Refer Note Nos. 6(c) & 7(b)].*

vii) *Capitalisation effected / charged to expenditure on provisional/ payment basis / pending / receipt of final bills / finalisation and certification by architects. Effect on the accounts on due adjustment thereof, cannot be indicated at this stage. [Refer Note Nos. 4(g)/4(h)].*

viii) *Balance in Sundry Debtors, Loans and Advances, Deposits and Sundry Creditors accounts are subject to independent confirmation and reconciliation in some cases. [Refer Note No. 6(b)].*

ix) *In respect of lease agreements with some of the licensees the Corporation has, despite prescribed conditions, not charged interest/ levied damages on overdue amounts. These have also not been quantified. Consequently, effect on the accounts on due quantification/ accounting thereof cannot be indicated at this stage. (Refer Accounting Policy No. 13(v)).*

x) *The Corporation has provided for ₹ 3,335.24 Lakh in respect of unionized workers on IDA pattern w.e.f. 1.1.2007. However, while working out the liability towards pay revision as above, the Corporation had not considered the liability on account of Gratuity and Leave Encashment. [Refer Note No. 11(b)].*

5. We further report that:

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit *except to the extent referred to in Note No. 6(c) of Schedule 12 regarding status of dues payable / recoverable from a party and Note No. 8(b) of Schedule 12 regarding confirmation of amount recoverable from demerged units;*

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

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

d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and audited financial statements of the branches;

e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in Sub-section (3C) of

Section 211 of the Companies Act, 1956 *except to the extent referred to hereunder:-*

- *Valuation of Inventories at cost in some of the units as against lower of cost or net realizable value - Accounting Standard-2 - Valuation of Inventories.*

- *Lease charges in respect of land of Hotel Samrat not having been amortised. [Note No. 4(c)] - Accounting Standard -6 - Depreciation Accounting.*

- *Conversion of balance with foreign bank in Iraqi dinar at the rate prevailing as on 31st March, 1991 instead of applying year end rates. [Refer Note No. 7(a)] - Accounting Standard-11- Accounting for Effect of Changes in Foreign Exchange Rates.*

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

- *Non-disclosure of details required in respect of operating leases entered into by the Corporation. [Note No. 13(v) of Schedule-12] - Accounting Standard-19 - Leases.*

- *Except to the extent referred to in note 13(viii) of Schedule 12, the Corporation has not determined impairment in other assets in terms of Accounting Standard-28-Impairment of Assets during the year.*

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

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

6. *We further report that:-*

a) *We are unable to comment on the extent of liability that may devolve upon the Corporation and impact the financial statements on resolution, of legal proceedings referred to in Paras 4(i) and 4(iii)(a);*

b) *The adjustments that may arise pertaining to matters referred to in Paras 4(ii), 4(iii)(b), 4(vi), 4(vii), 4(viii), 4(ix) and 4(x), which cannot be quantified at this stage.*

c) *The impact of our comments in Paras 4(iv) and 4(v), some of which were subject matter of audit qualifications in the earlier years also, is given below:*

	Particulars	Reported figure (₹ in lakh)	Resultant figure (₹ in lakh)	Impact (net of tax) (₹ in lakh)
A	Reserve & Surplus [Refer Paras 4(iv) & 4(v)	22,802.59	21,788.80	1,013.79
B	Capital Work-in-Progress [Refer Para 4(v)]	4,457.46	4,247.77	209.69
C	Current Assets, Loans and Advances [Refer Para 4(iv)]	47,858.68	46,532.56	1,326.12
D	Current Liabilities and Provisions (Tax Impact)	30,132.26	29,610.24	522.02

7. *Subject to our comments in paragraphs 5(e) and 6 above,* in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and other notes, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

i) in the case of Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2010,

ii) in the case of Profit & Loss Account, of the loss for the year ended on that date, and

iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M. No. 81784)

Place: New Delhi
Date: 7.12.2010

Annexure Referred to in Paragraph 3 of our Report of even date on the Accounts of India Tourism Development Corporation Limited for the Year ended 31st March, 2010

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 *except at ATSS where the branch auditor have opined the procedures to be not reasonable. Some of the other 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, deposit of Foreign Currency cash at Duty Free Shop units, income from licenses, maintenance of accounting records, reconciliation of control accounts, extension of credit, issuance of credit notes, purchase and consumption of raw materials, cost of services rendered, stores, stocks, issuance of material, valuation of inventories at DFS units (at Goa), 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, the coverage of internal audit needs to be enlarged to cover all areas of operation including timely submission and follow up of the reports.*

8. As informed to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of Sub-section

(1) of Section 209 of the Companies Act, 1956.

9. (a) In our opinion the Corporation is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it *except as reported by some of the branch auditors regarding irregularity in deposit / non-deposit of undisputed statutory dues.*

According to the information and explanations given to us and as reported by the branch auditors in their reports, the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as on 31.3.2010 for a period of more than six months from the date they became payable are given below :

Name of the Statute/Unit	Nature of Dues	Amount (₹ in lakh)	Period to which the amount relates
ESI, Vigyan Bhawan Hyderabad House	ESI	4.79 1.72	More than six months
Sales Tax & VAT, ATT Chennai	Sales Tax, VAT	1.25	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	8,813.00	1990 to 2006	Various Authorities
The Central Sales Tax Act, 1956	Central Sales Tax	12.84	1987 to 2002	Various Authorities
Andhra Pradesh VAT Act, 2005	Local Sales Tax	327.15	2005 to 2007	Hyderabad High Court
Karnataka Sales Tax Act, 2004	Local Sales Tax	420.71	2004-2005	Karnataka High Court
Orissa Sales Tax Act	Sales Tax	1.07	1988 to 2005	Various Authorities
Maharashtra Sales Tax Act	Sales Tax	2,465.62	1982 to 1996	Mumbai High Court, Maharashtra Sales Tax Tribunal
The Delhi Tax on Luxuries Act, 1996	Luxury Tax	266.88	1997-98, 2001-02 & 2002-03	Assistant Commissioner of Luxury Tax
The Income Tax Act, 1961	Income Tax	507.09	1992-93, 1994-95, 1995-96 2007-08	Income Tax Appellate Tribunal CIT (A)
Customs Act, 1962 Mumbai	Custom Duty	21,818.11	1995 to 2008	Commissioner (Appeals)
Customs Act, 1962 Hyderabad	Custom Duty	2.14	2006-07	Committee on Disputes
Provident Fund, Janpath	(PF)	1.14	Earlier Year	High Court
Service Tax, IGIAR	Service Tax	15.54	2007-08 to 2009-10	CESTAT, Delhi
Customs Authority by Kolkata	Custom Duty	45.17	2003	Committee on Disputes
Customs Authority, Delhi	Custom Duty	9.26	2005-06	Customs Authority
Excise Duty, Kalinga	Excise Duty	13.33	2002-03	High Court,Orissa
Employees' State Insurance	ESI		Earlier Years	High Court of Delhi
Hotel Janpath		27.91		
Ashok Hotel		397.70		
Hotel Samrat		21.91		
IGIAR		11.04		
Taj Restaurant, Agra		7.25		
Employees' State Insurance Kalinga	ESI	1.45	Earlier Years	District Court, Khurda

10. Even after considering the effects of quantified qualifications, in our opinion, the Corporation does not have accumulated losses. The Corporation has incurred cash loss during the financial year covered by our audit and has not incurred cash losses 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 ₹ 90 lakh 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 allotted 1,82,50,000 Equity Shares of ₹ 10/- each at a premium of ₹ 30/- each to the President of India through the Ministry of Tourism, Government of India (promoter) through preferential allotment.

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 Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M. No. 81784)

Place: New Delhi
Date: 7th December, 2010

Balance Sheet

and

Profit & Loss Account

Balance Sheet as at 31st March, 2010

Particulars	Schedule	₹	₹	As at 31.3.2010 ₹	As at 31.3.2009 ₹
A. SOURCE OF FUNDS					
Shareholders' Funds					
Share Capital	1			85,76,94,000	67,51,94,000
Share Application Money				-	73,00,00,000
Reserves and Surplus	2			2,28,02,59,129	1,87,58,66,870
Deferred Government Grants				11,35,226	20,56,344
TOTAL				3,13,90,88,355	3,28,31,17,214
B. APPLICATION OF FUNDS					
Fixed Assets					
In Use:					
Gross Block	3A		1,27,22,27,440		1,18,97,78,637
Less: Depreciation			73,40,54,691		72,94,45,285
Net Block			53,81,72,749		46,03,33,352
Not in Active Use:					
Gross Block	3B		1,44,09,890		1,14,13,241
Less: Depreciation			1,30,42,534		99,60,953
Less: Provision for Diminution			8,20,605		9,49,687
Net Block			5,46,751		5,02,601
Capital Work-in-Progress	4		44,57,45,866		9,10,62,480
				98,44,65,366	55,18,98,433
Investments	5			8,13,81,380	8,30,94,700
Deferred Tax Asset (Net)				30,05,99,644	16,96,85,506
Current Assets, Loans and Advances	6				
Interest Accrued		6,55,89,077			5,80,35,584
Inventories		11,01,89,224			9,85,35,678
Sundry Debtors		74,55,18,191			81,24,95,748
Cash and Bank Balances		3,00,80,20,019			3,15,85,23,806
Loans and Advances		85,65,51,743			88,82,81,752
			4,78,58,68,254		5,01,58,72,568
Less: Current Liabilities and Provisions	7				
Current Liabilities		2,51,12,12,857			1,80,36,19,740
Provisions		50,20,13,432			75,57,10,838
			3,01,32,26,289		2,55,93,30,578
Net Current Assets				1,77,26,41,965	2,45,65,41,990
Miscellaneous Expenditure					
(To the extent not written off or adjusted)					
Deferred Revenue Expenditure				-	2,18,96,585
Significant Accounting Policies and Notes to Accounts	12				
TOTAL				3,13,90,88,355	3,28,31,17,214

Schedules 1 to 12 form an Integral Part of the Accounts

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

As per our Report of even date
For Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M.No.81784)

Date : 7th December, 2010
Place : New Delhi

Profit & Loss Account for the Year Ended 31st March, 2010

Particulars	Schedule	₹	Year Ended 31.3.2010 ₹	Year Ended 31.3.2009 ₹
INCOME				
Sales, Income from Services Rendered and Other Income	8		2,99,74,86,748	4,13,43,22,876
EXPENDITURE				
Cost of Material & Services	9		39,29,97,124	1,04,86,50,004
Employees' Remuneration and Benefits	10		1,41,19,44,229	1,18,67,31,248
Operating and Other Expenses	11		1,29,91,81,205	1,54,07,89,263
Interest on Loans			3,421	-
Depreciation		4,11,84,056		4,27,96,074
Less: Attributed to the Projects		(19,200)	4,11,64,856	(19,200)
TOTAL			3,14,52,90,835	3,81,89,47,389
(LOSS)/PROFIT FOR THE YEAR BEFORE PROVISIONS WRITTEN BACK/ EXTRAORDINARY ITEMS/PRIOR PERIOD ADJUSTMENTS			(14,78,04,087)	31,53,75,487
Provisions No Longer Required Written Back			2,12,58,264	7,11,14,582
Prior Period Income		53,01,311		(1,22,176)
Prior Period Expenses		8,38,68,884		44,46,885
Net Prior Period Income/(Expenditure)			(7,85,67,573)	(45,69,061)
(LOSS)/PROFIT BEFORE TAX			(20,51,13,396)	38,19,21,008
PROVISION FOR TAX				
Current Tax		(7,20,00,000)		(16,00,00,000)
Deferred Tax {net including ₹ 55,94,918/- in respect of earlier years (Previous Year ₹ NIL)}		13,09,14,138		3,12,33,010
Fringe Benefit Tax		-		(41,00,000)
Wealth Tax		(66,445)		-
Income Tax / FBT For Earlier Year Written Back		31,57,962		46,09,984
			6,20,05,655	(12,82,57,006)
(LOSS)/PROFIT AFTER TAX			(14,31,07,741)	25,36,64,002
Transfer from Currency Translation Reserve			-	1,57,073
AMOUNT AVAILABLE FOR APPROPRIATION			(14,31,07,741)	25,38,21,075
APPROPRIATIONS				
Proposed Dividend			-	8,57,69,400
Dividend Tax			-	1,44,03,594
Transfer to General Reserve			(14,31,07,741)	15,36,48,081
			(14,31,07,741)	25,38,21,075
Earning Per Share (Basic)			(1.85)	3.76
Earning Per Share (Diluted)			(1.85)	2.96
(Refer Note No.13(vi), Schedule 12)				

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

As per our Report of even date
For Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M.No.81784)

Date : 7th December, 2010
Place : New Delhi

Share Capital

Schedule-1

Particulars	As at 31.3.2010	As at 31.3.2009
	₹	₹
Authorised		
15,00,00,000 Equity Shares of ₹ 10 each	1,50,00,00,000	1,50,00,00,000
(P.Y. 15,00,00,000 Equity Shares of ₹ 10 each)		
Issued, Subscribed and Paid-up*		
8,57,69,400 Equity Shares of ₹ 10 each fully paid-up	85,76,94,000	67,51,94,000
(P.Y. 6,75,19,400 Equity Shares of ₹ 10 each fully paid-up)		
TOTAL	85,76,94,000	67,51,94,000

**Notes*

a) *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.*

b) *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.*

c) *1,82,50,000 Equity Shares of ₹ 10 each fully paid have been allotted during the year to the President of India at premium or ₹ 30 per equity share against the Share application money of ₹ 73,00,00,000/- received in the earlier years.*

Reserves and Surplus

Schedule-2

	Particulars		As at 31.3.2010	As at 31.3.2009
		₹	₹	₹
1	Capital Reserve		23,53,774	23,53,774
2	Share Premium			
	Opening Balance	-		-
	Add: Addition during the year	54,75,00,000		-
			54,75,00,000	-
3	Currency Translation Reserve			
	Opening Balance	-		1,57,073
	Less:Transferred to Profit & Loss Account	-		1,57,073
			-	-
4	General Reserve			
	Opening Balance	1,87,35,13,096		1,71,98,65,015
	(Less)/Add: Transferred from			
	Profit & Loss Account	(14,31,07,741)		15,36,48,081
			1,73,04,05,355	1,87,35,13,096
	TOTAL		2,28,02,59,129	1,87,58,66,870

Fixed Assets

Schedule - 3A

Sl. No.	Particulars	GROSS BLOCK Up to 31.3.2009	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Up to 31.3.2010	DEPRECIATION Up to 31.3.2009	For the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Up to 31.3.2010	NET BLOCK As at 31.3.2010	As at 31.3.2009
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1.	Leasehold Land	3,26,59,920	-	-	3,26,59,920	29,45,632	97,685	-	30,43,317*	2,96,16,603	2,97,14,288
2.	Freehold Land	20,59,473	-	-	20,59,473	2,24,426***	-	-	2,24,426	18,35,047	18,35,047
3.	Building and Roads	24,86,71,976	93,662	92,056	24,86,73,582**	12,57,09,923	45,26,766	92,055	13,01,44,634	11,85,28,948	12,29,62,053
4.	Sanitary Installations	2,85,48,048	5,13,106	53,07,978	2,37,53,176	2,56,15,090	5,99,239	51,73,249	2,10,41,080	27,12,096	29,32,958
5.	Plant and Machinery	12,00,98,463	23,73,732	1,90,369	12,22,81,826	9,11,57,675	44,82,354	1,87,469	9,54,52,560	2,68,29,266	2,89,40,788
6.	Electrical Installations	10,21,45,811	4,06,02,322	13,50,642	14,13,97,491	5,87,43,397	40,24,658	11,88,271	6,15,79,784	7,98,17,707	4,34,02,414
7.	Lifts	2,32,86,662	-	-	2,32,86,662	1,86,23,716	4,20,774	22,220	1,90,22,270	42,64,392	46,62,946
8.	Kitchen Equipment	3,41,22,045	3,56,583	7,46,658	3,37,31,970	2,62,75,341	9,11,474	6,91,562	2,64,95,253	72,36,717	78,46,704
9.	Sound System and Musical Instruments	7,71,92,129	22,37,858	12,60,973	7,81,69,014	3,62,63,963	54,55,491	11,56,760	4,05,62,694	3,76,06,320	4,09,28,166
10.	Furniture, Fixtures and Furnishings	24,50,36,884	2,21,69,631	2,12,79,689	24,59,26,826	17,57,95,098	81,26,540	1,96,51,498	16,42,70,140	8,16,56,686	6,92,41,786
11.	Office Equipment including Computers	11,14,69,211	3,66,74,790	16,08,851	14,65,35,150	6,82,78,941	66,80,514	13,40,097	7,36,19,358	7,29,15,792	4,31,90,270
12.	Air-Conditioners, Coolers and Refrigerators	14,14,98,627	1,53,95,209	38,42,247	15,30,51,589	8,67,05,334	43,49,381	36,04,938	8,74,49,777	6,56,01,812	5,47,93,293
13.	Vehicles	2,29,89,388	5,02,764	37,41,561	1,97,50,591	1,31,06,749	13,37,280	34,66,531	1,09,77,498	87,73,093	98,82,639
14.	Intangible Assets-Software	-	9,50,170	-	9,50,170	-	1,71,900	-	1,71,900	7,78,270	-
	Total	1,18,97,78,637	12,18,69,827	3,94,21,024	1,27,22,27,440	72,94,45,285	4,11,84,056	3,65,74,650	73,40,54,691	53,81,72,749	46,03,33,352
	Previous Year	1,13,96,81,172	7,51,67,860	2,50,70,395	1,18,97,78,637	70,82,22,333	4,27,96,074	2,15,73,122	72,94,45,285	46,03,33,352	-

* *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.*

Fixed Assets Not in Active Use

Schedule - 3B

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Up to 31.3.2009	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2010	Up to 31.3.2009	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2010	Depreciated Value as on 31.3.2010	Net Realisable Value as on 31.3.2010	Balance Provided For
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. Net Realisable Value is more than Depreciated Value											
Airconditioners, Coolers and Refrigerators	13,96,757	1,440	13,96,757	1,440	13,18,458	1,368	13,18,458	1,368	72	72	-
Office and Miscellaneous Equipment	10,29,537	-	29,856	9,99,681	9,29,223	-	21,281	9,07,942	91,739	91,739	-
Furniture,Fixtures & Furnishings	27,01,767	-	5,72,757	21,29,010	25,67,363	-	5,44,119	20,23,244	1,05,766	1,05,766	-
Kitchen Equipment	64,594	-	64,594	-	54,926	-	54,926	-	-	-	-
Sanitary Installations	82,499	42,32,705	-	43,15,204	78,374	41,51,740	-	42,30,114	85,090	85,090	-
Sound System & Musical Instruments	25,75,404	17,924	6,72,976	19,20,352	24,46,633	17,733	6,39,327	18,25,039	95,313	95,313	-
Electrical Installations	44,254	793	44,254	793	42,041	754	42,041	754	39	39	-
Plant and Machinery	1,19,243	-	58,323	60,920	1,13,281	-	55,407	57,874	3,046	3,046	-
Vehicles	9,233	14,04,455	-	14,13,688	8,771	13,34,233	-	13,43,004	70,684	70,684	-
Total-A	80,23,288	56,57,317	28,39,517	1,08,41,088	75,59,070	55,05,828	26,75,559	1,03,89,339	4,51,749	451,749	-
B. Net Realisable Value is less than Depreciated Value											
Airconditioners, Coolers and Refrigerators	97,167	-	-	97,167	92,546	-	-	92,546	4,621	-	4,621
Office and Miscellaneous Equipment	5,89,064	-	4,42,423	1,46,641	4,37,219	-	3,40,876	96,343	50,298	-	50,298
Furniture,Fixtures & Furnishings	11,65,527	-	10,89,359	76,168	9,73,486	-	9,01,367	72,119	4,049	-	4,049
Kitchen Equipment	12,553	-	-	12,553	12,418	-	-	12,418	135	-	135
Sound System & Musical Instruments	3,70,312	-	3,26,715	43,597	3,50,378	-	3,08,982	41,396	2,201	-	2,201
Electrical Installations	11,55,330	-	-	11,55,330	5,35,836	-	-	5,35,836	6,19,494	-	619,494
Vehicles	-	20,37,346	-	20,37,346	-	18,02,537	-	18,02,537	2,34,809	95,002	139,807
TOTAL-B	33,89,953	20,37,346	18,58,497	35,68,802	24,01,883	18,02,537	15,51,225	26,53,195	9,15,607	95,002	8,20,605
TOTAL (A+B)	1,14,13,241	76,94,663	46,98,014	1,44,09,890	99,60,953	73,08,365	42,26,784	1,30,42,534	13,67,356	5,46,751	8,20,605
PREVIOUS YEAR	1,23,71,503	9,71,938	19,30,200	1,14,13,241	1,08,87,756	9,00,571	18,27,374	99,60,953	14,52,288	5,02,601	9,49,687

Capital Work-in-Progress

Schedule - 4

Particulars	As at 31.3.2010	As at 31.3.2009
	₹	₹
1 Work-in-Progress (at cost) including construction materials lying at the site and fixed assets not put to use, value of work done & material supplied by the contractors/suppliers	43,44,49,664	6,83,67,738
2 Expenses Attributed to Projects pending Allocation	88,79,589	69,95,163
3 Capital Goods-in-Hand and in Transit	24,61,927	1,57,44,893
	44,57,91,180	9,11,07,794
Less: Provision for Impairment Loss	45,314	45,314
TOTAL	*44,57,45,866	9,10,62,480

**It includes ₹ 211.21 lakh (Previous year ₹ 208.13 lakh) being carried forward for more than five years.*

Investments (at cost)

Schedule - 5

Particulars		As at 31.3.2010	As at 31.3.2009
	₹	₹	₹
Long Term Investments - At Cost			
A. Trade (Unquoted)			
In Subsidiary Companies*			
1 Utkal Ashok Hotel Corporation Ltd.			
i) 11,90,000 (P.Y. 11,90,000) fully paid-up equity shares of ₹ 10 each		1,19,00,000	1,19,00,000
ii) 35,00,000 (P.Y. 35,00,000) fully paid 14% non-cumulative preference shares of ₹ 10 each redeemable on 30.3.2017		3,50,00,000	3,50,00,000
2 Ranchi Ashok Bihar Hotel Corporation Ltd.** 3,652 (P.Y. 3,652) fully paid-up equity shares of ₹ 1,000 each		36,52,000	36,52,000
3 Madhya Pradesh Ashok Hotel Corporation Ltd. 8,160 (P.Y. 8,160) fully paid-up equity shares of ₹ 1,000 each		81,60,000	81,60,000
4 Assam Ashok Hotel Corporation Ltd. 5,100 (P.Y. 5,100) fully paid-up equity shares of ₹ 1,000 each		51,00,000	51,00,000
5 Pondicherry Ashok Hotel Corporation Ltd. 3,060 (P.Y. 3,060) fully paid-up equity shares of ₹ 1,000 each		30,60,000	30,60,000
6 Donyi Polo Ashok Hotel Corporation Ltd. 50,896 (P.Y. 50,896) fully paid-up equity shares of ₹ 100 each		50,89,600	50,89,600
7 Punjab Ashok Hotel Company Ltd. 12,75,000 (P.Y. 12,75,000) fully paid-up equity shares of ₹ 10 each		1,27,50,000	1,27,50,000
		8,47,11,600	8,47,11,600
Less: Provision for diminution in the value of Investment in Ranchi Ashok Bihar Hotel Corporation Ltd.**		36,52,000	36,52,000
TOTAL 'A'		8,10,59,600	8,10,59,600
B. Shares in Joint Venture Company Trade (Unquoted)			
ITDC Aldeasa India Private Limited*** 5,000 fully paid equity shares of ₹ 10/- each	50,000		50,000
Less:- Provision for diminution in the value of Investment	50,000		50,000
TOTAL 'B'		-	-
C. Others (Unquoted)			
1 One fully paid ordinary share in Delhi Maida Consumers Cooperative Society Ltd., Delhi		25	25
2 Investment in Partnership Firm ITDC Showtime Consortium****			
Opening Balance	20,35,075		-
Capital contribution during the year	1,50,000		2,00,000
Add : Share of Profit for the year	3,454		18,78,357
Less: Amount received during the year	18,66,774		43,282
		3,21,755	20,35,075
TOTAL 'C'		3,21,780	20,35,100
TOTAL 'A+B+C'		8,13,81,380	8,30,94,700

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

** *Refer Note No.5 to the Notes to Accounts (Schedule 12)*

*** *Refer Note No. 12 to the Notes to Accounts (Schedule 12)*

**** *Refer Note No. 7(p) to the Notes to Accounts (Schedule 12)*

Current Assets, Loans and Advances

Schedule - 6

Particulars	₹	₹	As at 31.3.2010 ₹	As at 31.3.2009 ₹
A. CURRENT ASSETS				
I. Interest Accrued on:				
Deposits		6,10,48,775		5,26,60,440
Loans to Employees		45,40,302		53,75,144
			6,55,89,077	5,80,35,584
II. Inventories:				
(As per inventories prepared, valued and certified by the Management at lower of cost or net realisable value)				
Stores and Spares	2,35,30,642			2,38,21,605
Tools	60,033			27,728
Crockery, Cutlery, Glassware and Linen etc.in hand and in use	2,12,44,017			2,15,34,214
Stocks and Stores (Others)	6,71,28,641			5,99,44,018
Goods-in-transit	63,90,468			12,03,774
		11,83,53,801		10,65,31,339
Less : Provision for Inventory Write Down		81,64,577		79,95,661
			11,01,89,224	9,85,35,678
III. Sundry Debtors:				
Debtors outstanding for a period exceeding six months:-				
Considered Good (Secured)	37,83,834			37,07,292
Considered Good (Un-Secured)	28,59,48,493			32,12,36,944
Considered Doubtful	16,80,43,289			14,57,01,932
		45,77,75,616		47,06,46,168
Other Debtors:				
Considered Good (Secured)	2,46,12,859			87,72,119
Considered Good (Un-Secured)	43,11,73,005			47,87,79,393
Considered Doubtful (Un-Secured)	-			-
		45,57,85,864		48,75,51,512
		91,35,61,480		95,81,97,680
Less: Provision for Doubtful Debts		16,80,43,289		14,57,01,932
			74,55,18,191	81,24,95,748
IV. Cash and Bank Balances:				
Cash balance on hand (Including Imprest & Foreign Currency Notes)		24,04,912		23,63,778
Cheques in hand		4,11,05,965		10,07,81,582
Remittances in transit		9,85,424		-
Stamps in hand		-		18,587
Balance with Scheduled Banks:				
In Current Accounts		26,50,78,834		16,99,65,209
In Deposit Accounts [includes Fixed Deposits of ₹ 3,34,796/-(P.Y. ₹ 11,06,296/-) lodged as security]		2,69,84,44,884		2,88,53,94,650
Balance with Non Scheduled Banks:				
In Current Account with Refidien Bank of Baghdad (ID)	1,22,956			1,22,956
[Maximum Balance at any time during the year ₹ 1,22,956 (P.Y. Rs.1,22,956)]				
Less:- Provision for Doubtful Recovery	1,22,956	-		1,22,956
			3,00,80,20,019	3,15,85,23,806

Particulars	₹	₹	As at 31.3.2010 ₹	As at 31.3.2009 ₹
B. LOANS AND ADVANCES				
Advances recoverable in cash or in kind or for value to be received:				
Secured (Loans to Staff)		7,95,766		18,89,644
Unsecured:				
Considered Good (Recoverable from Subsidiaries)	14,56,29,850			18,15,33,947
Considered Good (Others)	36,92,91,842			37,32,72,657
Considered Doubtful (Recoverable from Subsidiaries)	-			5,00,000
Considered Doubtful (Others)	3,99,17,199			4,11,05,639
	55,48,38,891			59,64,12,243
Less: Provision for Doubtful Advances	3,99,17,199			4,16,05,639
		51,49,21,692		55,48,06,604
Security Deposits				
Considered Good	1,91,11,367			1,28,25,153
Considered Doubtful	24,76,355			24,76,355
	2,15,87,722			1,53,01,508
Less: Provision for Doubtful Security	24,76,355			24,76,355
		1,91,11,367		1,28,25,153
Advance Income Tax and Tax Deducted at Source		32,16,89,994		31,55,69,966
Sales Tax paid in advance		32,924		63,000
Fringe Benefit Tax paid in advance		-		31,27,385
			85,65,51,743	88,82,81,752
TOTAL			4,78,58,68,254	5,01,58,72,568

Current Liabilities and Provisions

Schedule - 7

Particulars		As at 31.3.2010	As at 31.3.2009
	₹	₹	₹
A. CURRENT LIABILITIES			
Sundry Creditors		1,11,84,72,473	81,31,05,707
Security Deposits and Retention Money		30,76,84,923	20,88,01,950
Advances from Customers		94,12,05,494	61,22,91,590
Other Liabilities		14,38,49,967	16,94,20,493
		2,51,12,12,857	1,80,36,19,740
B. PROVISIONS			
For Proposed Dividend		-	8,57,69,400
For Tax on Proposed Dividend		-	1,44,03,594
For Leave Encashment		28,40,72,274	28,01,82,828
For Income Tax		7,20,00,000	16,00,00,000
For Fringe Benefit Tax		-	41,00,000
For Wealth Tax		66,445	-
For Retirement Gratuity	56,38,38,115		47,35,67,057
Less : Fund size of investment as per Gratuity Policy	41,79,63,402		26,23,12,041
		14,58,74,713	21,12,55,016
		50,20,13,432	75,57,10,838
TOTAL		3,01,32,26,289	2,55,93,30,578

Sales, Income from Services Rendered and Other Income

Schedule - 8

Particulars		Year ended 31.3.2010	Year ended 31.3.2009
	₹	₹	₹
A. SALES LESS RETURNS			
Food	39,28,27,747		46,16,50,547
Beer, Wine & Spirits	18,30,74,759		19,36,49,603
Cigars and Cigarettes	1,97,60,484		2,24,63,124
Soft Drinks	2,53,94,332		3,03,56,703
Cameras, Watches and Tape Recorders	3,28,787		2,08,425
Perfumes	1,80,975		5,63,062
Petrol, Oil and Lubricants	8,34,34,548		8,09,70,716
Miscellaneous Sales	1,05,67,985		1,00,67,927
		71,55,69,617	79,99,30,107
B. INCOME FROM SERVICES RENDERED			
Room Rent	1,04,49,09,480		1,16,03,49,741
Licence Fee	23,56,73,319		15,93,22,043
Traffic Earnings and Package Tours	11,58,30,462		12,39,42,312
Son-et-Lumiere & Cultural Shows	71,65,381		64,70,791
Electricity Charges	3,62,55,926		3,07,27,750
Telephone Services	10,49,546		15,42,268
Advertisement Income	96,79,879		51,53,62,570
Revenue from execution of Projects	4,98,02,591		17,69,83,450
Management/Consultancy/Event Management/ Training Fees	13,19,68,078		18,46,16,140
Travel Services	33,90,93,528		54,07,06,110
Service Charges	2,88,75,037		2,76,08,132
		2,00,03,03,227	2,92,76,31,307
C. OTHER INCOME			
Interest (Gross) from:- Banks / Financial Institutions	20,46,83,982		30,07,36,104
Loans to Employees	1,19,721		1,64,016
On Income Tax Refunds	30,35,330		19,69,307
Others [Includes ₹ 5.30 lakh (P.Y. ₹ 5.18 lakh) on loans to Subsidiary Co's]	9,34,778		5,76,494
[Tax deducted at source ₹ 3,25,52,639/- (P.Y. ₹ 6,26,80,603)]		20,87,73,811	30,34,45,921
Dividend received from Subsidiary Companies (Gross)		10,18,860	10,17,450
Profit on Sale of Assets	16,45,293		24,69,279
Product Incentive	2,29,314		3,29,688
Gain on Foreign Exchange Variation	20,32,351		16,66,043
Grant from Ministry of Tourism	9,21,118		83,907
Share of Profit from partnership Business	3,454		18,78,357
Miscellaneous Income	6,69,89,703		9,58,70,817
		7,18,21,233	10,22,98,091
TOTAL		2,99,74,86,748	4,13,43,22,876

Cost of Material and Services

Schedule - 9

Particulars	₹	₹	Year ended 31.3.2010 ₹	Year ended 31.3.2009 ₹
Cost of Consumption of Raw Materials, Other Materials Sold and Services Rendered				
a. Provisions, Beverages & Smokes				
Opening Stock		1,11,95,219		91,28,054
Purchases and Adjustments (including value of own production)		16,40,61,633		16,96,38,299
		17,52,56,852		17,87,66,353
Less: Transfers and Adjustments (at cost)	2,04,66,813			1,57,58,451
Closing Stock	1,51,47,405			1,11,95,219
		3,56,14,218		2,69,53,670
			13,96,42,634	15,18,12,683
b. Wines and Liquors				
Opening Stock		3,86,02,431		3,66,62,112
Purchases and Adjustments		6,84,69,982		4,86,79,813
		10,70,72,413		8,53,41,925
Less: Transfers and Adjustments (at cost)	1,40,15,273			11,19,196
Closing Stock	4,45,91,739			3,86,02,431
		5,86,07,012		3,97,21,627
			4,84,65,401	4,56,20,298
c. Other Materials				
Opening Stock		73,84,783		82,82,197
Purchases and Adjustments		9,06,67,558		8,12,03,801
		9,80,52,341		8,94,85,998
Less: Transfers and Adjustments (at cost)	39,15,866			2,95,905
Closing Stock	63,35,345			73,84,783
		1,02,51,211		76,80,688
			8,78,01,130	8,18,05,310
d. Cost of Services Rendered/Purchased				
Execution of Projects		3,67,40,477		15,77,89,385
Other Services		8,03,47,482		61,16,22,328
			11,70,87,959	76,94,11,713
TOTAL			39,29,97,124	1,04,86,50,004

Employees' Remuneration and Benefits

Schedule-10

Particulars	Year Ended 31.3.2010 ₹	Year Ended 31.3.2009 ₹
Salaries, Wages & Bonus	1,12,99,41,894	92,90,75,600
Employer's Contribution to Provident & Other Funds	9,76,66,985	7,40,97,783
Staff Welfare Expenses (Including contribution to Staff Welfare Fund)	7,07,11,870	7,98,31,982
Uniforms	65,82,486	53,27,324
Deferred Revenue Expenditure (VRS) Written Off	2,18,96,585	1,62,10,835
Provision/Contribution to Employee's Gratuity Scheme (Net)*	10,89,94,396	10,71,00,701
	1,43,57,94,216	1,21,16,44,225
Less : Charged to the Projects of the Ministry of Tourism	37,13,256	55,05,650
Charged to the Ministry of External Affairs	2,01,36,731	1,94,07,327
TOTAL	1,41,19,44,229	1,18,67,31,248

**Refer Note 13(ii) to Notes to Accounts. (Schedule 12)*

Operating and Other Expenses

Schedule - 11

Particulars		Year Ended 31.3.2010	Year Ended 31.3.2009
	₹	₹	₹
Travelling and Conveyance			
(a) Directors	18,94,547		15,76,790
(b) Officers and Staff	1,47,61,300		1,83,61,827
(c) Staff Car Expenses	41,06,119		27,79,010
		2,07,61,966	2,27,17,627
Rent, Rates, Taxes and Insurance			
(a) Rent	6,41,95,518		6,52,19,821
(b) Rates & Taxes	2,51,31,933		1,93,77,072
(c) Insurance	37,01,058		17,71,613
		9,30,28,509	8,63,68,506
Repairs and Maintenance			
(a) Plant and Machinery	4,32,13,276		8,23,23,526
(b) Buildings	8,10,04,374		9,27,26,034
(c) Vehicles	13,58,940		11,53,648
(d) Others	6,65,62,946		5,83,49,992
		19,21,39,536	23,45,53,200
Auditors' Remuneration (Including Branch Auditors)			
(a) Audit Fees	9,24,054		7,57,336
(b) In other capacity in respect of :			
(i) Tax Audit Fees	2,44,768		2,26,570
(ii) Certification	1,52,766		33,605
iii) Out of Pocket Expenses	1,170		1,105
		13,22,758	10,18,616
Directors' Sitting Fee		33,000	28,000
Legal and Professional Charges		1,30,73,384	1,88,13,497
Printing, Stationery and Periodicals		1,29,66,162	1,11,62,070
Communication Expenses		1,12,61,658	1,09,09,522
Power and Fuel		19,07,56,881	23,25,28,259
Advertisement, Publicity & Sales Promotion		3,44,57,207	3,12,58,907
Entertainment		24,31,690	21,95,859
Band and Music		45,08,837	37,32,024
Expenses on Cultural Shows		12,99,888	15,31,311
Commission to Travel Agents/Credit Card Companies		42,79,855	1,20,92,525
Licencees' Share of Profit		5,24,96,254	5,47,99,489
Miscellaneous Expenses		87,61,974	98,04,647
Upkeep, Service Cost and Other Operating Expenses		60,84,74,435	73,57,16,136
Loss on Sale of Fixed Assets/Write Off of Assets		1,41,480	11,46,690
Loss on Collaboration Ventures		2,45,51,775	-
Depletion/Consumption & Breakages in Crockery, Cutlery & Utensils etc.		48,32,325	55,62,907
Bad Debts		9,42,562	3,90,41,345
Provision for Doubtful Debts & Advances		2,82,86,086	3,83,36,286
Provision for Impairment		-	45,314
Provision for Diminution in Fixed Assets		1,39,807	67,703
Provision for Inventory Write Down/Write Off of Inventory		9,75,930	7,74,712
TOTAL 'A'		1,31,19,23,959	1,55,42,05,152
LESS:			
Charged to the Projects of the Ministry of Tourism	10,15,615		10,96,077
Charged to the Ministry of External Affairs	1,14,09,642		1,20,51,707
Departmental Expenses Charged to ITDC Units	3,17,497		2,68,105
TOTAL 'B'		1,27,42,754	1,34,15,889
TOTAL 'A-B'		1,29,91,81,205	1,54,07,89,263

Schedule - 12

Significant Accounting Policies and Notes to Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

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

2. Use of Estimates

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

3. Disputed Income Tax and Sales Tax Demands

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

4. Fixed Assets and Depreciation

a) Fixed Assets

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

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

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

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

b) Depreciation

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

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

ii) On addition in the Fixed Assets during the period from 1.4.1987 to 15.12.1993, at the pre-revised rates as per the Schedule XIV of the Companies Act, 1956.

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

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

The rates at which depreciation has been charged are given in ***Annexure "A"***.

5. Investments

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

6. Valuation of Inventories

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

7. Execution of Projects for Clients

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

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

8. Deferred Revenue Expenditure

Payment of compensation to employees retiring under Voluntary Retirement Scheme is treated as deferred revenue expenditure and written off over a period ending 31.3.2010.

9. 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.

10. 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.

11. 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.

12. 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.'

13. 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.

14. 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.

15. 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.

16. 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.

17. Claims

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

Schedule - 12 Contd.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities

(₹ in lakh)

(a)	Particulars	Current Year	Previous Year
(i)	Claims against the Corporation not acknowledged as debts [includes for Property Tax ₹ NIL (Previous Year ₹ 5,733.32 Lakh) demands from custom authority ₹ 21,874.68 Lakh (Previous Year ₹ 21,881.80 Lakh) and are subjudice].	28,538.11	36,003.64
(ii)	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).	2,901.76	54.78
(iii)	Guarantees executed in favour of various authorities, banks and financial institution [including guarantees provided against loans obtained by subsidiary companies, ₹ 90.00 Lakh (Previous year ₹ 90.00 Lakh).	212.27	136.18
(iv)	Letter of Credit outstanding	84.18	-
(v)	Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 25.72 Lakh (Previous Year ₹ 25.72 Lakh)].	507.09	363.21
(vi)	Sales Tax matters in appeal [includes ₹ 2,465.62 Lakh (Previous Year ₹ 2,465.62 Lakh) in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal/High Court].	12,040.39	9,422.95
(vii)(a)	Liability towards Service Tax (including interest thereon) pertaining to banqueting, including catering activities, at hotels up to 31.3.2007.		
(b)	Liability towards work contract tax (including interest thereon) pertaining to building repair work carried at units.	Amount unascer-tained	Amount unascer-tained

Note No. (1) Contingent Liabilities at Sr. No.1(a)(i),1(a)(v) & 1(a)(vi) 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 reflects basic value. Legal and other costs being indeterminable at this stage are not considered.

2. Current Liabilities And Provisions

(a) 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).

(b) The Employees State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totalling ₹ 660.23 lakh (Previous year ₹ 631.02 lakh) towards ESI dues in respect of five hotel/catering units against which the Corporation holds deposits of ₹ 319.32 lakh (Previous year - ₹ 319.32 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts - ₹ 302.22 lakh and amount deposited ₹ 17.10 lakh). Against this the Corporation holds a liability of ₹ 194.42 lakh (previous year ₹ 194.42 lakh) towards ESI dues. No provision has been made for the balance of ₹ 465.81 lakh (Previous year ₹ 436.60 lakh) as the matter is subjudice and pending finality in the matter, the same has been included under Contingent Liabilities at Sl. No. 1(a)(i) above.

(c) The Corporation had taken a property on rent from the Custodian of Enemy Property in 1965. Subsequently, the said property was released in favour of present owner by the Custodian. The owner had filed a suit for recovery of the possession of the said property. The Hon'ble High Court decided the matter in favour of the owner and the Corporation was directed to vacate the property. The Hon'ble High Court also fixed the rent @ ₹ 30,000/- for the month of January 1980 only on lumpsum/adhoc basis along with interest and also appointed a Local Commissioner to determine the amount of rent for the period from 1.2.1980 till date of handing over the possession of the property. Aggrieved by the decision, a Special Leave Petition before the Hon'ble Supreme Court was filed which was dismissed by the court & upheld the earlier judgement of the Hon'ble High Court. Accordingly the premises was vacated & possession handed over to the owner on 28.2.2007. Pending determination by the Local Commissioner of the amount payable no provision has been made in the accounts.

(d) Sundry creditors include unlinked receipts from customers etc. of ₹ 65.22 lakh (Previous year ₹ 95.31 lakh) which could not be linked to respective customer accounts, for want of adequate details.

3. Capital Work-in-Progress

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

(b) The physical inspection of the incomplete Hotel project at Gulmarg since 1984-85 has been carried out during 2009-10 by the Corporation's engineers and architect, who have opined that the expected realisable value of the assets will be more than the amount invested up to 31.3.10 of ₹ 209.69 lakh (Previous Year ₹ 206.56 lakh) and consequently, no provision for impairment of assets has been considered necessary.

4. Fixed Assets

(a) 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 Travel Management (AIH & TM) and Tennis Court at New Delhi.

(b) 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.

(c) Premium paid on Leasehold Land at Hotel Samrat, New Delhi have not been amortised in the absence of any tenure in terms of allotment.

(d) 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.

(e) Registration of title deeds in favour of the Corporation have not been effected in respect of:-

i) Land and building of Taj Restaurant at Agra

ii) Land at Gulmarg

(f) Lease deed in respect of Hotel Jammu Ashok expired on 11.01.2010, pending renewal of the same liability towards lease rent etc. has not been provided.

(g) 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.

(h) 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 ₹ 1,171.13 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 843.67 lakh). Adjustments, if any, to cost is proposed to be carried out upon final settlement of the bills.

5. 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 ₹ Nil (Previous Year ₹ 20.03 lakh).

6. Current Assets, Loans and Advances

(a) (i) Sundry Debtors and Loans and Advances include ₹ 1,819.03 lakh (net) (Previous year ₹ 2,162.55 lakhs-net) in respect of following Subsidiary companies :

(₹ in lakh)

Name of the Company	Sundry Debtors Current Year	Sundry Debtors Previous Year	Loans & Advances Current Year	Loans & Advances Previous Year
1 Assam Ashok Hotel Coporation Ltd.	129.14	129.14	73.87	73.74
2 Donyi Polo Ashok Hotel Corporation. Ltd	-	-	-	0.05
3 MP Ashok Hotel Corporation Ltd.	80.54	80.54	384.68	468.26
4 Pondicherry Ashok Hotel Corporation Ltd	50.79	50.30	13.07	11.21
5 Ranchi Ashok Bihar Hotel Corporation Ltd.	77.71	77.71	230.30*	229.55*
6 Utkal Ashok Hotel Corporation Ltd.**	24.55	24.55	728.75	1,010.86
7 Punjab Ashok Hotel Company Ltd.	-	-	25.63	26.67
Total	362.73	362.24	1,456.30	1,820.34
Less : Provision made	-	15.03	-	5.00
Net	362.73	347.21	1,456.30	1,815.34

(*) includes ₹ 208.00 lakh deposited by the Corporation. Refer Note 6(e)(ii)
(**) Non-operational w.e.f 31.03.2004

(ii) Investment of ₹ 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 and interest on loans given) to actual realisation/ to the extent of deposit of tax 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.

(b) Confirmation of balances have not been received in most of the cases of Sundry Debtors, Creditors, Loans and Advances and Deposits. Besides in a few units, balances in customers accounts are under reconciliation with the General Ledger control account balances.Effect on the accounts on due confirmation, reconciliation and adjustments thereof cannot be indicated at this stage.

(c) The account of National Buildings Construction Corporation (NBCC) for work done at project in Iraq could not be reconciled due to non-receipt of detailed statement of account/confirmations from the party.

(d) Debtors and Advances include the following :-

(₹ in lakh)

Particulars	Current Year	Previous Year
(i) Debts due from Directors and officers of the Corporation.	-	5.60
Maximum amount due from Directors and officers of the Corporation during the year	0.51	5.89
(ii) Advances due from Directors and officers of the Corporation	5.40	6.96
Maximum amount due from Directors and officers of the Corporation during the year	20.19	19.35

(e) Amount recoverable includes:-

(i) ₹ 268.73 lakh (Previous year ₹ 268.73 lakh) from NDMC relating to transfer of fixed assets of erstwhile Akbar Hotel as agreed with them under package deal. The NDMC has agreed to adjust this amount against dues of property tax upon finalisation and determination of the said amount.

(ii) ₹ 208.00 lakh (Previous year ₹ 208.00 lakh) paid by the Corporation against bid for property of Ranchi Ashok Bihar Hotel Corporation Limited (Subsidiary Corporation) which was attempted to be taken over by the Financial Institutions due to non-repayment of loan & interest by the subsidiary Corporation. Subsequently, co-promoter viz. Bihar State Tourism Development Corporation Ltd (BSTDC) had also offered to purchase the said property against which ITDC has filed a case in the High Court and matter is subjudice.

7. Profit & Loss Account

(a) The current liabilities, current assets and revenue items of project at Iraq in US Dollar have been converted on the basis of prevailing rate of exchange as on 31.3.2010.The net gain of ₹ 3.31 lakh (previous year net loss of ₹ 6.83 lakh) has been credited to Profit & Loss Account. Further in case of M/s NBCC, the liability has been shifted in INR in view of issue of bonds by EXIM Bank to NBCC in INR against amount payable in US Dollar. The balance in Iraqi dinar however continues to appear in books as recorded as on 31.3.1991 in view of non-availability of exchange rate.

(b) Interest on deferred payments from M/s NBCC from 1.4.1994 onwards regarding Iraq project has not been accounted for in the absence of advice from NBCC.

(c) The net accumulated amount of losses - ₹ 2,264.97 lakh (Previous year ₹ 2,032.43 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.#	2009-10	51	284.78
Donyi Polo Ashok Hotel Corporation Ltd.##	2009-10	51	(39.32)
Madhya Pradesh Ashok Hotel Corporation Ltd.##	2009-10	51	162.62
Pondicherry Ashok Hotel Corporation Ltd.##	2009-10	51	(38.30)
Punjab Ashok Hotel Company Ltd.##	2009-10	51	6.45
Ranchi Ashok Bihar Hotel Corporation Ltd.#	2009-10	51	100.02
Utkal Ashok Hotel Corporation Ltd.##@	2009-10	98	1,788.72
Total Net Losses			2,264.97
Previous Year Net Losses			2,032.43

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

(d) Following past practice, consumption of Stocks, stores, crockery, cutlery etc. has been worked out by adding opening balances to purchases and deducting therefrom closing balance based on physical inventories valued as per accounting policy.

(e) Deffered Revenue Expenditure, relating to compensation paid to employees opting voluntary retirement, written off during the year is as under:

1 Employees' Remuneration and Benefits also include ₹ NIL lakh (Previous year ₹ 65.54 lakh) representing deferred revenue expenditure (VRS) written off out of the balance of compensation paid to employees retired under Voluntary Retirement Scheme introduced during 2004-05 as detailed below:-

(₹ in lakh)

	Current Year	Previous Year
i) Opening Balance	-	65.54
ii) Less:- Amount written off during the year	-	65.54
iii) Closing Balance	-	-

2 Employees' Remuneration and Benefits also include ₹ 2.98 lakh (Previous year ₹ 2.98 lakh) representing deferred revenue expenditure (VRS) written off out of the balance of compensation paid to employees retired under Voluntary Retirement Scheme introduced during 2005-06 as detailed below:-

(₹ in lakh)

	Current Year	Previous Year
I) Opening Balance	2.98	5.96
ii) Less:- Amount written off during the year	2.98	2.98
iii) Closing Balance	-	2.98

3 Employees' Remuneration and Benefits also include ₹ 93.59 lakh (Previous year ₹ 93.59 lakh) representing deferred revenue

expenditure (VRS) written off out of the balance of compensation paid to employees retired under Voluntary Retirement Scheme introduced during 2007-08 as detailed below:-

(₹ in lakh)

	Current Year	Previous Year
i) Opening Balance	93.59	187.18
ii) Less:- Amount written off during the year	93.59	93.59
iii) Closing Balance	-	93.59

4 Employees' Remuneration and Benefits also include ₹ 133.12 lakh (Previous year ₹ 122.40 lakh) representing deferred revenue expenditure (VRS) written off out of the balance of compensation paid to employees retired under Voluntary Retirement Scheme introduced during 2008-09 as detailed below:-

(₹ in lakh)

	Current Year	Previous Year
i) Opening Balance	122.40	-
ii) Amount paid during the year	10.72	244.80
iii) Less:- Amount charged to respective head of account (Employees Remuneration & benefits)	10.72	122.40
iv) Less:- Amount written off during the year	122.40	-
v) Closing Balance	-	122.40
Total closing balance [(e) 1, 2, 3 & 4)]	-	218.97

(f) The Corporation has been managing Hotel Bharatpur Ashok, Kosi Restaurant and Son-et-Lumiere Show at Sabarmati owned by the Ministry of Tourism and the profit/loss in respect of these units is accounted for by the Corporation, in the respective schedules of Profit & Loss Account.

(g) Expenses on generation of power:-

(₹ in lakh)

Particulars	Current Year	Previous Year
Salaries and Wages	3.08	2.52
Fuel	44.90	43.27
Depreciation	7.31	0.85
Repairs	13.61	12.87
Total	68.90	59.51

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

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

(₹ in lakh)

Particulars	Current Year	Previous Year
Opening Balance	69.95	65.85
Add:-		
Other Project Overheads	18.65	3.91
Depreciation/Amortisation of Lease	0.19	0.19
Less: Capitalised during the year	-	-
Closing Balance (see Schedule-4)	88.79	69.95

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

(j) Income/expenditure and adjustment relating to earlier years charged to Profit & Loss Account are as follows:-

(₹ in lakh)

Particulars	Current Year	Previous Year
Income:		
1 Beer, Wine and Spirit Sales	(0.40)	(10.02)
2 Income from Services Rendered : Room Rent/Licence Fee	139.29	(13.27)
Advertisement and Publicity	-	0.86
3 Others : Employees' remuneration and benefits	0.21	-
Rent Recovery	0.26	-
Consultancy Fees	-	(1.02)
Miscellaneous Income	86.35	22.23
Total	53.01	(1.22)
Expenditure:		
1 Cost of Consumption of Raw Material, Other Materials Sold and Services	(49.92)	13.92
2 Employees' Remuneration and Benefits	13.03	1.20
3 Travelling and Conveyance	0.41	(0.99)
4 Rent, Rates, Taxes and Insurance	860.82	1.97
5 Repairs and Maintenance	4.39	5.34
6 Legal and Professional Charges	1.38	2.61
7 Printing, Stationery and Periodicals	-	0.06
8 Communication Expenses	1.31	0.07
9 Power and Fuel	1.74	0.55
10 Advertisement, Publicity and Sales Promotion	-	9.02
11 Sundry Expenses	6.54	0.56
12 Upkeep and Service Cost and Other Operating Expenses	(2.65)	0.65
13 Depreciation	(0.49)	2.49
14 Newspaper, Books & Magazines	0.11	0.05
15 Payment to Hired Vehicles	0.03	1.02
16 Membership & Subscription	1.00	5.69
17 Hire Charges	0.96	0.26
18 Entertainment Exp.	0.03	-
Total	838.69	44.47

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

(₹ in lakh)

Particulars	Current Year	Previous Year
1 Provision for Doubtful Debts and Advances	78.31	478.07
2 Depreciation	1.00	-
3 Cost of Material Sold and Services rendered	16.75	0.48
4 Salaries wages and benefits	63.94	92.81
5 Repairs and Maintenance	15.81	15.38
6 Upkeep & Service Cost	27.55	88.46
7 Other Operating and Administrative Expenses	3.77	35.95
8 Provision for diminution in fixed assets	1.56	-
9 Provision for Inventory written down	3.89	-
Total	212.58	711.15

(l) Cost of consumption of Raw material, other materials sold and services in Schedule '9' includes cost of food consumed by operational staff at catering establishments (amount not ascertained).

(m) Out of the balance amount of ₹ 20.56 lakh (Previous year ₹ 21.40 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 9.21 lakh incurred during the year (Previous year 0.84 lakh) has been charged to the respective head of expenditure. The amount equivalent to the grant related cost incurred during the year has accordingly been recognised as income. The balance of ₹ 11.35 lakh (previous year ₹ 20.56 lakh) at the close of the year has been presented in the accounts as Deferred Government grant after Reserve and Surplus.

(n) ₹ 1,629.88 lakh spent on renovation during the year at various hotels has been segregated as relating to capital ₹ 1,116.96 lakh and revenue expenditure ₹ 512.92 lakh based on certificate issued by the Project engineer and which have been relied upon by the auditors.

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

b) Consequent to the finalisation of revised license agreements in case of one of the hotel unit ,a sum of ₹ 334.28 lakh has been accounted for as income from services rendered (including ₹ 141.44 lakh pertaining to period up to 31.3.2009) during the year.

(p) During the year 2008-09 the company had entered into a partnership with M/s Showtime Events (India) Pvt. Ltd. for executing event management activities. The share of income for 2009-10 from the partnership, amounting to ₹ 0.03 lakh (Previous year ₹ 18.35 lakh) (net of firm tax) has been recognised during the year. The details of partners and their capital balance are:-

Name of the Partner	Capital Balance as on 31.03.2010 (₹)	Profit/Share
1) ITDC Ltd.	3,21,754.50	50%
2) Showtime Consortium	3,21,754.50	50%

8. Disinvestment of Hotel Units

(a) As per Government of India's policy of disinvestment, 10 hotel units of the Corporation were disinvested in the year 2001-02 and 11 more hotel units were disinvested and handed over during the year 2002-03. The entire exercise relating to disinvestment process was handled directly by Ministry of Disinvestment, Government of India. The salient features of the scheme of demerger between ITDC and respective newly incorporated companies for each disinvested hotel unit are as under:-

i) With effect from appointed date, i.e. 31.3.2000, the disinvested units, pursuant to the provisions contained in section 394 of the Companies Act, 1956, were transferred to and vested in the transferee companies along with all assets, liabilities, debts and obligations pertaining to disinvested units.

ii) The units got demerged w.e.f. 31.3.2000 and thereafter up to the date of handing over, ITDC is deemed to have carried on all business relating to disinvested units for and on account of and in trust for the transferee companies.

iii) With effect from 31.3.2000 and up to the date of handing over on the date of signing of the share purchase agreements, all profits accruing to ITDC or losses arising or incurred by it relating to disinvested units were, for all purposes, to be treated as the profits or losses, as the case may be, of the transferee companies.

(b) As per the Share Purchase Agreements between the purchasers, transferee companies and Government of India (Department of Tourism), the post closing adjustments are to be settled by the Department of Tourism with the respective purchasers on the basis of audited accounts of disinvested units as of 31.3.2001. Therefore the amount of ₹ 1,326.12 lakh (Previous Year ₹ 1,326.12 lakh) (comprising of transfer of funds from Corporate Office/remittances made and expenses incurred by Headquarters and other units on behalf of disinvested units and net of other transactions) has been shown as recoverable from 15 transferee companies on account of carrying on the businesses of disinvested units for and on account of and in trust for transferee companies as per (a) above during the period from 1.4.2001 up to dates of handing over of the respective units and the same is included in Loans & Advances. In case of 3 transferee companies (net of similar transactions) amounting to ₹ 356.45 lakh (Previous Year ₹ 356.45 lakh) due to them, is included in Sundry Creditors. However no confirmation from respective transferee companies have been obtained.

(c) Regarding the claim for the period from 1.4.2000 to 31.3.2001 - ₹ 3,316.30 lakh (including ₹ 61.48 lakh recoverable directly from a transferee company in respect of units at Bangalore, the share holding of which continues to be with Government and other existing shareholders), the claims have been lodged with the Department of Tourism, Government of India and as the Government has not taken any decision till date on these claims, the same has not been accounted for as recoverable in accounts.

9. Against the Share Application money of ₹ 73.00 crore received from Govt. of India in December 2007, 1,82,50,000 No. of equity shares have been allotted to The President of India through preferential allotment on 14.9.2009 @ ₹ 40/- per share (including premium ₹ 30/- per share) in the demat form. These shares will rank pari passu and have the lock in period of 3 years.

10 Rental agreement with Life Insurance Corporation of India (LIC) expired on 25.7.2005 and was pending renewal. Pending finalisation of terms and conditions and execution of new lease deed, the Corporation had provided for rent payable to the Life Insurance Corporation of India, for premises under its occupation @ ₹ 60/- per sq. feet for the period from 26.7.2005 to 22.2.2008 and ₹ 100/- per sq. feet for the period from 23.2.2008 to 31.3.2010 as against ₹ 100/- per Sq. feet originally indicated by the LIC for the entire period. Pending renewal of agreement/finalisation of terms and conditions with LIC amount of ₹ 188.94 lakh (Previous year ₹ 188.94 lakh) being the difference between the amount indicated by the LIC @ ₹ 100/- per Sq. Feet and that provided up to the period 22.2.08 has been included under Contingent Liabilities in para 1(a)(i).

11. (a) The Corporation had, with due approval of its board and administrative ministry vide its letter dated 27.10.2010, decided to implement and implemented the wage settlement in respect of unionized workers on IDA pattern w.e.f. 1.1.2007. Accordingly, the liability on account of the Arrears of Pay Revision amounting to ₹ 3,335.24 lakh (Including impli-

cation to PF and other allowances) for the period from 1.1.2007 to 31.3.2010 has been provided and charged to Profit & Loss Account.

(b) Though the Corporation had considered the provident fund in cases referred to in (a) above, no such consideration could be given to the provisions for Gratuity and Leave Encashment, due to pay revision. Effect on the accounts on due quantification and recording thereof cannot be indicated at this stage.

12. The Corporation had, for the purpose of running of the Duty Free Trade in India, established on 18.9.2007 a Joint Venture Company (JV) in collaboration with M/s Aldeasa of Spain vide agreement dated 10.7.2007. 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. During the year on the basis of draft financial statements of the JV company and concept of prudence Corporation's share of loss amounting to ₹ 245.52 lakh in connection with running of the JV has been accounted for based on the ratification of expenditure by JV Board & subsequent acceptance by ITDC. The amount of ₹ 32.23 lakh incurred by ITDC in connection with JV operations shown as amount recoverable in earlier year has been adjusted during the year from the liability of ₹ 245.52 lakh.

13 i) Disclosure in accordance with Accounting Standard- 7 - Construction Contracts

(₹ in lakh)

a)	Aggregate amount of Revenue Recognised up to the reporting date	10,357.79
b)	Aggregate cost incurred up to reporting date	9,182.37
c)	Revenue Recognised during the current financial year	498.02
d)	Cost incurred during the financial year	367.41
e)	Total amount of funds received up to the Reporting date	16,399.59
f)	Advance due to customers up to Reporting Date	6,403.50
g)	Advance due from Customers up to Reporting Date	395.59

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

(a) *Provident Fund* — 12% of Basic (including dearness pay) plus Dearness Allowance, contributed to Recognised Provident Fund.

(b) *Leave Encashment* — Payable on separation to eligible employees who have accumulated earned leave.

(c) *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 :-

(Amount in ₹)

Sl. No.	Particulars	Gratuity	Leave Encashment
	Fair value of defined obligation		
i.	Present value of projected benefit obligation as at 1.04.09	47,35,67,057	28,01,82,828
ii.	Current service cost	2,28,03,443	1,29,56,016
iii.	Interest cost	3,77,81,569	2,23,53,217
iv.	Acturial gain (-) / losses(+)	7,70,58,382	(3,14,19,787)
v.	Past service cost	-	-
vi.	Benefits paid	(4,73,72,336)	-
vii.	Present value of projected benefit obligation as on 31.03.2010	56,38,38,115	28,40,72,274
	Reconciliation of fair value of Assets and obligations		
i.	Fair value of plan assets as on 1.04.2009	26,23,12,041	-
ii.	Acquisition adjustment	-	-
iii.	Expected return on plan assets	2,86,48,997	-
iv	Actual Company's contribution	17,43,74,700	-
v.	Acturial gain(+) / losses(-)	-	-
vi.	Benefits paid	(4,73,72,336)	-
vii	Fair value of plan assets as on 31.03.2010	41,79,63,402	-
viii.	Present value of defined obligation	56,38,38,115	28,40,72,274
ix.	Net liability recognised in the Balance Sheet (Schedule-7)	14,58,74,713	28,40,72,274
	Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2010		
I.	Current service cost	2,28,03,443	1,29,56,016
ii.	Interest cost	3,77,81,569	2,23,53,217
iii.	Acturial gain(-) / losses(+)	7,70,58,382	(3,14,19,787)
iv.	Past service cost	-	-
v.	Expected return on plan assets	(2,86,48,998)	-
	Total	10,89,94,396	38,89,446
	Employees' remuneration & benefit charged to Profit & Loss A/c- a) Gratuity	10,89,94,396	-
	b) Others	-	38,89,446
	Gratuity Fund Investment details (Fund manager wise,to the extent funded)		
	Life Insurance Corporation of India	24,21,24,571.00	-
	Life Insurance Corporation of India	11,44,15,551.00	-
	HDFC Standard Life Insurance	2,03,68,531.00	-
	AVIVA Life Insurance Company India Ltd.	4,10,54,749.00	-
	Total	41,79,63,402.00	-
	Acturial assumption		
i.	Discount rate	7.00% per annum	7.00% per annum
ii.	Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
iii.	Withdrawal rate (18-60 years)	2% per annum	0% up to 30 years, 1% up to 44 years, 3% thereafter
iv.	Expected rate of plan assets	8.33%	NIL
v.	Future salary increase	5.00% per annum	5.00
vi	Retirement age	58 years	58 years

iii) Disclosure pursuant to Accounting Standard 17 on Segment Reporting is given in Annexure "B" to this schedule.

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

Key Management Personnel:-

1. Dr. Lalit K Panwar, C&MD w.e.f. 21.4.2010
2. Mr. Sanjay Kothari, Ex. C&MD w.e.f. 1.12.2009 to 21.4.2010.
3. Mr. Parvez Dewan, Ex. C&MD w.e.f. 5.4.2006 to 1.12.2009.
4. Mr. P.K. Agarwal, Director (Finance) w.e.f. 29.7.2010.
5. Mr. P.P.Singh, Ex. Director (Finance) w.e.f. 25.8.2005 to 28.2.2010.
6. Mr. Rajiv Makin, Ex. Director (C&M) w.e.f. 17.10.2008 to 31.7.2010.

Payment made to key management personnels and their relatives.

(Amount in ₹)

Particular	Current Year	Previous Year
Remuneration	35,14,119	36,32,783

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

The Corporation's leasing arrangements are generally in respect of operating lease for premises (residential, office accommodation, and godowns etc). These leasing arrangements are not non-cancellable and are also usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals paid/ payable are charged as Rent under Employees Remuneration & Benefits (Schedule-10) & operating and other expenses (Schedule-11). In some of the hotel units, arrangements made with other parties to operate restaurants and other business premises are on licence basis which are also not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

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

Particulars	31st March, 2010	31st March, 2009
BASIC		
Net (Loss)/Profit available for Equity Shareholders (₹)	(14,31,07,741)	25,38,21,075
Weighted Average Number of Equity Shares of ₹10 each	7,74,69,400	6,75,19,400
Basic earnings per share (₹)	(1.85)	3.76
DILUTED		
Net Profit available for Equity Shareholders	(14,31,07,741)	25,38,21,075
Weighted Average number of Shares	7,74,69,400	8,57,69,400
Diluted earnings per share (₹)	(1.85)	2.96

vii) Accounting for Taxes on Income - Accounting Standard - 22 - Deferred Tax.

The major components of deferred tax asset (net) as on 31.3.2010 are given below:-

(₹ in lakh)

Particulars	31st March, 2010		31st March, 2009	
DEFFERED TAX LIABILITIES				
1 Depreciation		556.19		540.24
DEFFERED TAX ASSETS				
1 Carried forward Short Term Capital Loss	10.05		10.28	
2 Provision for Gratuity	484.56		718.06	
3 Provision for Doubtful Debts & Advances & Inventory write down	726.14		672.13	
4 Disallowances under Income Tax Act, 1961	2,341.44	3,562.19	836.63	2,237.10
DEFERRED TAX ASSET (NET)		3,006.00		1,696.86

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 31.3.2010 has been recognised in the financial statements.

viii) Impairment of Assets:- Accounting Standard - 28):-

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, 2010, 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, no such impairment loss warranting recognition/provision was noticed.

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

(₹ in lakh)

Name of Provision	Balance as on 1.4.2009	Provided during the year relating to 2009-10	Provided during the year relating to 2008-09	Payments/ Adjustments during the year	Provision reversed/ written back	Closing Balance as on 31.3.2010
Fringe Benefit Tax	41.00	-	-	40.18	0.82	-
Income Tax	1,600.00	720.00	-	1,569.25	30.75	720.00
Proposed Dividend	857.69	-	-	857.69	-	-
Taxes on Proposed Dividend	144.04	-	-	144.04	-	-
Wealth Tax	-	0.66	-	-	-	0.66

14 Additional Information Pursuant to the 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	403.67	152.65
ii) Cigars and Cigarettes	261.96	121.77
iii) Other items:		
Perfumes	0.19	-
iv) Capital Goods	279.61	115.48
Total	945.43	389.90

b) Expenditure in Foreign Currency :-

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Advertisement & Publicity - on behalf of client	-	43.32
ii) Travelling	8.39	7.60
Total	8.39	50.92

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

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Boarding, Lodging and Other Facilities	948.16	1,470.12
ii) Sale of Goods at Duty Free Shops	540.40	523.56
iii) Gain in Foreign Exchange (net)	20.32	16.66
Total	1,508.88	2,010.34

(d) Remuneration paid to the Directors:

(Amount in ₹)

Particulars	C&MD	Other Directors	Total	Previous Year
i) Salary & Allowances	19,93,093	13,11,577	33,04,670	34,37,691
ii) Employer's Contribution to Provident Fund	-	1,46,384	1,46,384	1,24,707
iii) Other Perquisites (as per IT Rules)	12,042	51,023	63,065	70,385
Total	20,05,135	15,08,984	35,14,119	36,32,783

Above figures exclude contribution to Gratuity Fund. Corporation's Car has been officially provided to whole time Directors. The recovery in respect of private use of cars are made in accordance with the Government instructions.

(e) (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.

(f) Additional information regarding details of opening stock, purchases, closing stock, consumption of raw materials, sales and services and consumption of imported and indigenous raw material, spare parts and components has not been given as the Corporation has been exempted from providing such information vide Order No. 46/180/2009-CL-III of the Ministry of Corporate Affairs dated 2.7.2009 for the financial years 2008-09 to 2010-11.

(g) The Corporation has been vide letter dated 4.11.2010 exempted under section 212(8) from annexing the Accounts of Subsidiary Companies with the Annual Accounts of the Corporation from the Ministry of Company Affairs,Government of India for the period up to 31.3.2010.

15 Balance Sheet Abstract and Corporation's General Business Profile as per part IV, Schedule-VI to the Companies Act, 1956 is given in ***Annexure "C"***.

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

(V.K. Jain)
Company Secretary

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

(P.K. Agarwal)
Director (Finance)

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

As per our Report of even date
For Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M.No. 81784)

Date : 7th December, 2010
Place : New Delhi

Annexure "A" to Schedule 12 (Significant Accounting Policy No. 4)

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.	Buildings 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.	Electric Installations	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 and Musical Instruments	8.64	5.28	11.31	5.15	10.34	4.75
7.	Furniture, Fixutres and Furnishings	9.50 to 31.67	9.50 to 31.67	5.15	3.34	9.50	6.33
8.i)	Office and Miscellaneous Equipment	8.64	5.28	5.15	5.15	4.75	4.75
ii)	Computers	-	-	16.21	16.21	16.21	16.21
9.	Coolers and Refrigerators	8.64	5.28	11.31	5.15	10.34	4.75
10.	Airconditioners (both plant & window type)	8.64	5.28	5.15	5.15	4.75	4.75
11.	Vehicles (staff car, scooter, etc.)	10.56	10.56	7.07	7.07	9.50	9.50
12.	Transport Vehicles	-	16.21	-	16.21	-	16.21
13.	Sanitary installations	8.64	5.28	11.31	5.15	10.34	4.75
14.	Assets Costing Rs. 5,000 and below ****	-	-	-	-	100%	100%
15.	Leasehold Land	Based on lease period					
16.	Intangible Assets (Software)	Amortised over a period of legal right to use or 3 years, whichever is earlier					

* *On additions to the fixed assets up to 1986-87.*

** *On additions to the fixed assets from 1987-88 to 15.12.93.*

*** *On additions to the fixed assets from 16.12.93 and onwards.*

**** *Assets costing Rs.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.*

Annexure “B” to Schedule 12 {Note No. 13 (iii)}

Segment Reporting-AS-17

(₹ in lakh)

	Hotel/Restaurants Operations		Duty Free Shops Operations		Travels & Tours Operations		SEL, ARMS & Misc. Operations		Construction and Consultancy Projects		Others		Total for Company	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
PRIMARY DISCLOSURE (Operation-wise)														
1 Segment Revenue														
a) Total Revenue	19,700.35	21,215.95	558.51	555.80	5,660.10	7,694.14	1,591.12	2,106.42	692.04	7,036.63	2,264.21	3,183.47	30,466.33	41,792.41
b) Less Inter Segment Revenue	29.16	25.37	-	-	109.57	99.34	352.73	324.47	-	-	-	-	491.46	449.18
c) External Revenue	19,671.19	21,190.58	558.51	555.80	5,550.53	7,594.80	1,238.39	1,781.95	692.04	7,036.63	2,264.21	3,183.47	29,974.87	41,343.23
2 Segment Results														
Profit/(Loss) before Interest, Tax and Overheads	(595.32)	3,454.11	(167.87)	(137.23)	(160.54)	(152.71)	127.75	318.39	(700.68)	(445.96)	2,264.24	3,120.90	767.58	6,157.50
Less: Allocable Corporate Overheads											2,818.69	2,338.28	2,818.69	2,338.28
Less: Interest	-	-	-	-	-	0.01	-	-	-	-	0.03	-	0.03	0.01
Less: Provision for Income Tax											720.00	1,600.00	720.00	1,600.00
Less: Provision for Wealth Tax											0.66	-	0.66	-
Less: Provision for Fringe Benefit											-	41.00	-	41.00
Less: Provision for Deferred Tax											(1,309.14)	(312.33)	(1,309.14)	(312.33)
Add : Deferred Tax Assets Recognised											-	-	-	-
Add: Provision for Income Tax for earlier year written back											31.58	46.10	31.58	46.10
Add: Currency Translation Reserve made in earlier year written back											-	1.57	-	1.57
Profit/(Loss) available for Appropriation	(595.32)	3,454.11	(167.87)	(137.23)	(160.54)	(152.72)	127.75	318.39	(700.68)	(445.96)	65.58	(498.38)	(1,431.08)	2,538.21
3 Segment Assets (Current assets plus fixed assets & WIP)	14,197.75	12,766.74	838.77	689.65	1,431.10	1,518.24	1,463.01	1,659.37	5,339.22	1,933.40	35,247.29	37,941.26	58,517.14	56,508.66
4 Segment Liabilities	15,755.02	11,419.57	945.96	676.65	1,287.08	1,289.03	3,485.89	1,482.26	9,888.47	8,209.69	(1,230.16)	2,516.11	30,132.26	25,593.31
5 Depreciation & Amortisation in Respect of Segment Assets for the period	372.96	389.76	0.29	0.23	15.47	12.49	1.78	3.79	0.90	1.03	20.25	20.47	411.65	427.77
6 Cost incurred during the period to Acquire Segment Assets (Tangible & Intangible fixed assets)	1,194.34	678.06	1.16	0.07	0.17	60.66	1.92	3.97	0.14	0.32	20.97	8.60	1,218.70	751.68
7 Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment	841.33	1,690.15	2.63	(2.27)	80.19	216.80	76.34	127.21	175.24	123.69	466.09	335.76	1,641.82	2,491.34

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

Annexure "C" to Schedule 12 (Note No. 15)

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	4363
State Code	55
Balance Sheet Date	31.3.2010

II. Capital Raised during the year [Amount in ₹ Thousand]

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. Position of Mobilisation and Deployment of Funds [Amount in ₹ Thousand]

Total Liabilities	61,52,314
Total Assets	61,52,314
Sources of Funds	
Paid-Up Capital	8,57,694
Share Application Money	-
Reserves & Surplus	22,80,259
Deferred Government Grant	1,135
Secured Loans	-
Current Liabilities and Provisions	3,013,226
Application of Funds	
Fixed Assets	5,38,719
Capital Work-in-Progress	4,45,746
Investments	81,381
Deferred Tax	3,00,600
Current Assets, Loans and Advances	47,85,868
Misc. Expenditure	-
Accumulated Losses	Nil

IV. Performance of Company [Amount in ₹ Thousand]

Turnover	29,97,487
Total Expenditure (including Prior Period Adjustments)	32,02,600
Profit / (Loss) before Tax	(2,05,113)
Profit / (Loss) after Tax	(1,43,108)
Earning per Share in ₹ (Basic)	(1.85)
Earning per Share in ₹ (Diluted)	(1.85)
Dividend Rate %	-
Final	-

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. [ITC Code]	N.A.
Product Description	Hotels
Item Code No. [ITC Code]	N.A.
Product Description	Shopping Facilities to Tourists at Duty Free Shops
Item Code No. [ITC Code]	N.A.
Product Description	Providing Transport Services

Note : Items Codes have not been assigned to above Products under the Indian Trade Classification.

Cash Flow Statement for the Year ended 31st March, 2010

	Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
		₹	₹
A	Cash Flow from Operating Activities		
	Net Profit/(Loss) before tax, prior period & extraordinary items	(14,78,04,087)	31,53,75,487
	Adjustments for:		
	Depreciation	4,11,64,856	4,27,76,874
	Deferred Revenue Expenditure (VRS) Written Off	2,18,96,585	2,84,50,640
	Diminution in value of Fixed Assets/Investments	(1,29,082)	67,203
	Interest Expense on Loans	3,421	-
	Interest Income	(20,87,73,811)	(30,34,45,921)
	Dividend Income	(10,18,860)	(10,17,450)
	Deferred Government Grant	(9,21,118)	(83,907)
	(Profit)/Loss on Sale of Fixed Assets (Net)	(15,03,813)	(13,22,589)
	Provision for Impairment Loss	-	45,314
	Provision for Inventory Write-down	9,75,930	7,74,712
	Provision for Doubtful Debts and Advances	2,82,86,086	3,83,36,286
	Bad Debts Written-Off	9,42,562	3,90,41,345
	Operating Profit before Working Capital Changes	(26,68,81,331)	15,89,97,994
	Adjustments for:		
	Decrease/(Increase) in Sundry Debtors	4,06,47,443	35,22,76,335
	Decrease/(Increase) in Loans and Advances	3,17,94,042	6,45,20,780
	Decrease/(Increase) in Inventories	(1,26,29,476)	(45,37,907)
	Increase/(Decrease) in Trade Payables, Other Liabilities	64,61,02,260	(67,42,49,213)
	Direct Taxes (Net)	(16,39,04,605)	(20,13,58,966)
	Prior Period Adjustments	(7,85,67,573)	(45,69,061)
	Provision no longer required Written Back	2,12,58,264	7,11,14,582
	Net Cash from Operating Activities	(21,78,19,024)	(23,78,05,456)
B	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	(12,18,69,827)	(7,51,67,860)
	Sale of Fixed Assets and Adjustments	44,54,319	48,70,521
	Reduction/(Addition) of Work-in-Progress	(35,46,83,386)	(6,08,27,504)
	Decrease/(Increase) in Investment	17,13,320	(20,35,075)
	Dividend Received from Subsidiary	10,18,860	10,17,450
	Deferred Revenue Expenditure	-	(2,44,79,611)
	Interest Received	20,12,20,318	30,40,30,425
	Net Cash Flow from/(used in) Investing Activities	(26,81,46,396)	14,74,08,346

Particulars	Year Ended 31.3.2010	Year Ended 31.3.2009
	₹	₹
C Cash Flow From Financing Activities		
Interest Paid	(3,421)	-
Repayment of Secured Loan	-	(74,134)
Dividend Paid	(8,57,69,400)	(27,00,77,600)
Dividend Tax Paid	(1,44,03,594)	(4,58,99,688)
Net Cash Flow from/(used in) Financing Activities	(10,01,76,415)	(31,60,51,422)
Net Increase in Cash and Cash Equivalents (A+B+C)	(15,05,03,787)	(40,64,48,532)
Cash and Cash Equivalents (Opening Balance)*	3,15,85,23,806	3,56,49,72,338
Cash and Cash Equivalents (Closing Balance)*	3,00,80,20,019	3,15,85,23,806

** For details refer to Schedule '6' A(IV)*

(V.K.Jain) Company Secretary	(P.K.Aggrawal) Vice President (F&A)	(P.K. Agarwal) Director (Finance)	(Dr. Lalit K. Panwar) Chairman & Managing Director	As per our Report of even date For Grover, Lalla & Mehta Chartered Accountants (FRN002830N)

Date : 7th December, 2010
Place : New Delhi

(Ashok Grover)
Partner
(M.No. 81784)

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

1. 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, 2010 and the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An Audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the following Subsidiaries and Joint Ventures of the Company, whose financial statements reflect Total Assets of ₹ 21,65,67,876/- as at 31st March, 2010, Total Revenue of ₹ 16,07,08,304/- and Net Cash Flows amounting to ₹ (35,26,858/-) for the year ended 31st March, 2010. 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 un-audited financial statement of one Joint Venture Company viz. ITDC Aldeasa India Private Limited has been incorporated in the accounts. The details of Assets, Revenues and Net Cash Flows in respect of these Subsidiaries and Joint Ventures to the extent to which they are reflected in the Consolidated Financial Statements are given below:

(Amount in ₹)

Name of Companies	Total Assets	Total Revenues	Net Cash Flows
Subsidiary Companies			
Madhya Pradesh Ashok Hotel Corporation Ltd.	5,06,18,624	4,83,33,743	34,47,236
Utkal Ashok Hotel Corporation Ltd.	1,15,40,865	-	(2,77,768)
Assam Ashok Hotel Corporation Ltd.	4,14,37,252	3,78,30,910	(17,21,737)
Donyi Polo Ashok Hotel Corporation Ltd.	2,49,26,545	2,30,07,283	(42,19,684)
Ranchi Ashok Bihar Hotel Corporation Ltd.	2,52,69,395	2,78,30,679	14,13,273
Pondicherry Ashok Hotel Corporation Ltd.	3,12,92,909	2,36,90,578	(3,09,917)
Punjab Ashok Hotel Company Ltd.	2,70,90,472	-	(200)
Joint Ventures			
ITDC Aldeasa India Private Ltd.	40,65,899	-	-
ITDC Showtime Consortium (Partnership Firm)	3,25,915	15,111	(18,58,061)
Total	**21,65,67,876**	**16,07,08,304**	**(35,26,858)**

4. 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.

5. Further to the above, our comments are as under:

   i) There are demands of ₹ 465.81 Lakh from ESI authorities in respect of ESI dues, which are being disputed by the Corporation and not provided for (Refer Note No. 3(b)).

   ii) (a) Compensation payable to a party, whose premises were under occupation by the Corporation's ATT Division, Delhi up to 28.2.2007 has not been provided as determination / quantification by the Commissioner appointed for the purpose is pending. [Refer Note No. 3(c)].

   (b) Lease Rent / registration fee/ ground rent / depreciation due to non-finalization of terms of purchase/lease/title deeds of land and buildings have not been provided for. [Refer Note No. 5]

   iii) Amount of ₹ 1,326.12 Lakh shown as recoverable from demerged units for the period from 1st April, 2001 till the date of physical transfer on account of funds transferred and expenses incurred on behalf of the said units, but not received till date, has been considered good of recovery by the management. [Refer Note No. 8(b)]

   iv) Impairment in the value of assets / partly completed assets aggregating to ₹ 209.69 lakh included under capital work-in-progress has not been provided. [Refer Note No. 4(b)]

   v) Pending reconciliation / receipt of detailed statement of accounts from NBCC, provision has not been made for interest payable to/recoverable from and amount due from NBCC pertaining to Iraq Project. Effect on the accounts on due receipt / adjustment / accounting thereof cannot be indicated at this stage. [Refer Note Nos. 6(b) and 7(b)]

   vi) Capitalisation effected/charged to expenditure on provisional/payment basis/pending/receipt of final bills/ finalisation and certification by architects. Effect on the accounts on due adjustment there of, cannot be indicated at this stage. (Refer Note Nos. 5(g)/5 (h)]

   vii) Balance in Sundry Debtors, Loans and Advances, Deposits and Sundry Creditors accounts are subject to independent confirmation and reconciliation in some cases. [Refer Note No. 6(a)]

   viii) In respect of lease agreements with some of the licensees the Corporation has, despite prescribed conditions, not charged interest/ levied damages on overdue amounts. These have also not been quantified. Consequently, effect on the accounts on due quantification/accounting thereof, cannot be indicated at this stage. (Refer Accounting Policy No. 13(v))

   ix) The Corporation has provided for ₹ 3,335.24 lakh in respect of unionized workers on IDA pattern w.e.f. 1.1.2007. However, while working out the liability towards pay revision as above, the Corporation had not considered the liability on account of Gratuity and Leave Encashment. (Refer Note No. 11(b)).

   x) In respect of Utkal Ashok Hotel Corporation Limited, one of the Subsidiary of the Company, their auditor opined dilution of fundamental assumption of Going Concern. (Refer Note No. 14)

6. We further report that:-

   a) We are unable to comment on the extent of liability that may devolve upon the Corporation and impact the financial statements on resolution, of legal proceedings referred to in Paras 5(i) and 5(ii) (a):

   b) The adjustments that may arise pertaining to matters referred to in Paras 5(ii)(b), 5(v), 5(vi), 5(vii), 5(viii), 5(ix) and 5(x), which cannot be quantified at this stage.

   c) The impact of our comments in Para 5(iii) and 5(iv) is given below:

(₹ in lakh)

	Particulars	Reported figure	Resultant figure	Impact (net of tax)
A.	Reserve & Surplus [Refer Paras 5(iii) & 5(iv)]	20,544.60	19,530.81	1,013.79
B	Capital Work-in-Progress [Refer Para 5(iv)]	4,739.82	4,530.13	209.69
C	Current Assets, Loans and Advances [Refer Para 5(iii)]	47,241.51	45,915.39	1,326.12
D	Current Liabilities and Provisions (Tax Impact)	31,382.48	30,860.46	522.02

7. Subject to our qualifications mentioned in Paragraph 6 above, 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 purposes of our audit except to the extent referred to in Note No. 6(b) of Schedule 12 regarding status of dues payable / recoverable from a party and Note No. 8(b) of Schedule 12 regarding confirmation of amount recoverable from demerged units.

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

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

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

- Valuation of Inventories at cost in some of the units as against lower of cost or net realizable value - Accounting Standard-2 - Valuation of Inventories.
- Lease charges in respect of land of Hotel Samrat not having been amortised. [Note No. 4(c)] - Accounting Standard -6 - Depreciation Accounting.
- Conversion of balance with foreign bank in Iraqi dinar at the rate prevailing as on 31st March, 1991 instead of applying year end rates. [Refer Note No. 7(a)] - Accounting Standard-11- Accounting for Effect of Changes in Foreign Exchange Rates
- Non-disclosure of complete details pertaining to transactions entered into during the year with related parties-Accounting Standard - 18 - Related Party Disclosure.
- Non-disclosure of details required in respect of operating leases entered into by the Corporation. [Note No. 12(v) of Schedule-12] -Accounting Standard-19 - Leases.
- Except to the extent referred to in note 12(viii) of Schedule 12, the Corporation has not determined impairment in other assets in terms of Accounting Standard-28-Impairment of Assets during the year.

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

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

f) Subject to our comments in paragraphs 6 and 7(d) above, we report that on the basis of the information and according to the explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the ITDC Ltd. Group to the extent received as stated above, we are of the opinion that the said Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:-

i. in case of Consolidated Balance Sheet, of the state of affairs of the India Tourism Development Corporation Limited Group as at 31st March, 2010;

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

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

For Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M.No. 81784)

Place: New Delhi
Date: 7.12.2010

Consolidated Balance Sheet as at 31st March, 2010

Particulars	Schedule	₹	₹	As at 31.3.2010 ₹
A. SOURCE OF FUNDS				
Shareholders' Funds				
Share Capital	1			85,76,94,000
Reserves and Surplus	2			2,05,44,60,003
Deferred Government Grants				11,35,226
Loan Funds				
Secured Loan	3			4,55,05,373
Minority Interest				2,69,11,580
TOTAL				2,98,57,06,182
B. APPLICATION OF FUNDS				
Fixed Assets				
In Use:				
Gross Block	4A		1,46,07,69,310	
Less: Depreciation			83,36,76,582	
Net Block			62,70,92,728	
Not in Active Use:				
Gross Block	4B		1,61,66,611	
Less: Depreciation			1,44,77,469	
Less: Provision for Diminution			11,13,117	
Net Block			5,76,025	
Capital Work-in-Progress	4C		47,39,82,185	
				1,10,16,50,938
Investments	5			25
Deferred Tax Asset (Net)				29,81,52,524
Current Assets, Loans and Advances	6			
Interest Accrued		6,65,69,322		
Inventories		11,42,25,182		
Sundry Debtors		73,87,86,540		
Cash and Bank Balances		3,05,75,56,442		
Loans and Advances		74,70,13,526		
			4,72,41,51,012	
Less: Current Liabilities and Provisions	7			
Current Liabilities		2,61,53,64,043		
Provisions		52,28,84,274		
			3,13,82,48,317	
Net Current Assets				1,58,59,02,695
Significant Accounting Policies and Notes to Accounts	12			
TOTAL				2,98,57,06,182

Schedules 1 to 12 form an Integral Part of the Accounts

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

As per our Report of even date
For Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M.No. 81784)

Place : New Delhi
Date : 7th December, 2010

Consolidated Profit & Loss Account for the Year Ended 31st March, 2010

Particulars	Schedule	₹	Year ended 31.3.2010 ₹
INCOME			
Sales, Income from Services Rendered and Other Income	8		3,15,25,90,043
EXPENDITURE			
Cost of Material & Services	9		41,45,18,777
Employees' Remuneration and Benefits	10		1,49,07,35,483
Operating and Other Expenses	11		1,32,20,36,275
Interest on Loans			19,96,621
Depreciation		4,61,49,860	
Less: Attributed to the Projects		(26,598)	4,61,23,262
TOTAL			3,27,54,10,418
(LOSS)/PROFIT FOR THE YEAR BEFORE PROVISIONS WRITTEN BACK/ EXTRAORDINARY ITEMS/PRIOR PERIOD ADJUSTMENTS			(12,28,20,375)
Provisions No Longer Required Written Back			1,92,93,407
Prior Period Income		55,55,947	-
Prior Period Expenses		8,53,01,390	
Net Prior Period Income/(Expenditure)			(7,97,45,443)
LOSS BEFORE TAX			(18,32,72,411)
PROVISION FOR TAX			
Current Tax		(7,60,11,911)	
Deferred Tax{net including ₹ 55,94,918/- in respect of earlier years}		13,01,62,733	
Wealth Tax		(66,445)	
Income Tax / FBT For Earlier Year Written Back		32,89,725	
			5,73,74,102
Net Loss before Minority Interest			(12,58,98,309)
Less: Profit/(Loss) attributable to Minority Interest			7,97,114
AMOUNT AVAILABLE FOR APPROPRIATION			(12,66,95,423)
APPROPRIATIONS			
Proposed Dividend			-
Dividend Tax			-
Transfer to General Reserve			(12,66,95,423)
			(12,66,95,423)
Earning Per Share (Basic) & (Diluted) (Refer Note No.12(vi), Schedule-12)			(1.64)

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

As per our Report of even date
For Grover, Lalla & Mehta
Chartered Accountants (FRN 002830N)

(Ashok Grover)
Partner
(M.No. 81784)

Place : New Delhi
Date : 7th December, 2010

Share Capital

Schedule - 1

Particulars	As at 31.3.2010
	₹
Authorised	
15,00,00,000 Equity Shares of ₹ 10 each	1,50,00,00,000
Issued, Subscribed and Paid-up*	
8,57,69,400 Equity Shares of ₹ 10 each fully paid-up	85,76,94,000
TOTAL	85,76,94,000

***Notes**

a) *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.*

b) *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.*

c) *1,82,50,000 Equity Shares of ₹ 10 each fully paid have been allotted during the year to the President of India at premium or ₹ 30 per equity share against the Share application money of ₹ 73,00,00,000/- received in the earlier years.*

Reserves and Surplus

Schedule - 2

	Particulars		As at 31.3.2010
		₹	₹
1	Capital Reserve (Including Subsidy)		62,97,601
2	Share Premium		
	Opening Balance	-	
	Add: Addition during the year	54,75,00,000	
			54,75,00,000
3	General Reserve		
	Opening Balance	1,62,73,57,825	
	(Less)/Add: Transferred from Profit & Loss Account	(12,66,95,423)	
			1,50,06,62,402
	TOTAL		2,05,44,60,003

Secured Loan

Schedule - 3

	Particulars		As at 31.3.2010
		₹	₹
1	Secured Loan from Bihar Industries Credit & Investment Corporation Ltd.		
	Principal Amount	83,15,000	
	Interest accured and due	1,12,90,195	
	(Secured against first mortgaged of present/future immoveable and moveable properties, machineries, tools, accessories and other fixed assets of the Ranchi Ashok Bihar Hotel Corporation Limited except book debts. Promoters guarantees shall rank pari passu with the mortgaged and charges created/to be created)		1,96,05,195
2	Secured Loan from Assam Industrial Development Corporation Limited		
	Principal Amount	90,00,000	
	Interest accured and due including penal interest	1,69,00,178	
	(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)		2,59,00,178
	TOTAL		4,55,05,373

Fixed Assets

Schedule - 4 A

Sl. No.	Particulars	GROSS BLOCK: Up to 31.3.2009	GROSS BLOCK: Additions during the year	GROSS BLOCK: Less: Sales, Transfers, Write-Offs and Adjustments during the year	GROSS BLOCK: Up to 31.3.2010	DEPRECIATION: Up to 31.3.2009	DEPRECIATION: For the year	DEPRECIATION: Less: Sales, Transfers, Write-Offs and Adjustments during the year	DEPRECIATION: Up to 31.3.2010	NET BLOCK: As at 31.3.2009
		₹	₹	₹	₹	₹	₹	₹	₹	₹
1.	Leasehold Land	3,34,99,843	-	-	3,34,99,843	31,37,776	1,07,000	-	32,44,776*	3,02,55,067
2.	Freehold Land	26,24,916	-	-	26,24,916	224,426***	-	-	2,24,426	24,00,490
3.	Building and Roads	33,12,43,724	51,82,244	92,056	33,63,33,912**	14,96,62,356	60,72,732	92,055	15,56,43,033	18,06,90,879
4.	Sanitary Installations	3,69,68,049	10,14,546	53,07,978	3,26,74,617	3,29,60,076	7,68,363	51,73,249	2,85,55,190	41,19,427
5.	Plant and Machinery	12,68,36,496	24,68,957	1,90,369	12,91,15,084	9,68,57,274	46,63,660	1,87,469	10,13,33,465	2,77,81,619
6.	Electrical Installations	11,83,90,449	4,16,39,631	13,50,642	15,86,79,438	7,20,41,175	42,90,983	11,85,340	7,51,46,818	8,35,32,620
7.	Lifts	2,53,68,721	-	-	2,53,68,721	2,01,47,459	5,18,671	22,220	2,06,43,910	47,24,811
8.	Kitchen Equipment	3,96,17,539	3,63,933	7,46,658	3,92,34,814	2,87,39,391	12,73,990	6,89,173	2,93,24,208	99,10,606
9.	Sound System and Musical Instruments	8,16,36,008	30,94,358	16,51,373	8,30,78,993	3,96,87,666	56,07,500	15,28,208	4,37,66,958	3,93,12,035
10.	Furniture, Fixtures and Furnishings	26,73,83,983	2,45,16,990	2,11,72,633	27,07,28,340	19,27,41,392	91,85,635	1,96,45,077	18,22,81,950	8,84,46,390
11.	Office Equipment Including Computers	11,87,94,678	3,70,85,139	17,69,220	15,41,10,597	7,27,06,209	72,12,505	14,21,743	7,84,96,971	7,56,13,626
12.	Air-Conditioners, Coolers and Refrigerators	16,19,72,502	1,56,70,225	39,94,484	17,36,48,243	10,21,65,244	48,57,611	36,62,917	10,33,59,938	7,02,88,305
13.	Vehicles	2,39,60,419	5,02,764	37,41,561	2,07,21,622	1,35,30,260	14,19,310	34,66,531	1,14,83,039	92,38,583
	Intangible Assets-Software	-	9,50,170	-	9,50,170	-	1,71,900	-	1,71,900	7,78,270
	Total	1,36,82,97,327	13,24,88,957	4,00,16,974	1,46,07,69,310	82,46,00,704	46,149,860	37,073,982	83,36,76,582	62,70,92,728

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

** *Includes staff quarters of value of ₹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.*

Fixed Assets Not in Active Use

Schedule - 4B

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
Particulars	Up to 31.3.2009	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2010	Up to 31.3.2009	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2010	Depreciated Value as on 31.3.2010	Net Realisable Value as on 31.3.2010	Balance Provided For
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. Net Realisable Value is more than Depreciated Value:-											
Airconditioners, Coolers and Refrigerators	13,96,757	1,440	13,96,757	1,440	13,18,458	1,368	13,18,458	1,368	72	72	-
Office and Miscellaneous Equipment	10,29,537	-	29,856	9,99,681	9,29,223	-	21,281	9,07,942	91,739	91,739	-
Furniture, Fixtures & Furnishings	27,01,767	-	5,72,757	21,29,010	25,67,363	-	5,44,119	20,23,244	1,05,766	1,05,766	-
Kitchen Equipment	64,594	-	64,594	-	54,926	-	54,926	-	-	-	-
Sanitary Installations	82,499	42,32,705	-	43,15,204	78,374	41,51,740	-	42,30,114	85,090	85,090	-
Sound System & Musical Instruments	25,75,404	17,924	6,72,976	19,20,352	24,46,633	17,733	6,39,327	18,25,039	95,313	95,313	-
Electrical Installations	44,254	793	44,254	793	42,041	754	42,041	754	39	39	-
Plant and Machinery	1,19,243	-	58,323	60,920	1,13,281	-	55,407	57,874	3,046	3,046	-
Vehicles	9,233	14,04,455	-	14,13,688	8,771	13,34,233	-	13,43,004	70,684	70,684	-
Total-A	80,23,288	56,57,317	28,39,517	1,08,41,088	75,59,070	55,05,828	26,75,559	1,03,89,339	4,51,749	4,51,749	-
B. Net Realisable Value is less than depreciated value:-											
Airconditioners, Coolers and Refrigerators	2,11,144	-	-	2,11,144	1,84,424	-	-	1,84,424	26,720	1,197	25,523
Office and Miscellaneous Equipment	7,73,354	1,60,369	4,42,423	4,91,300	5,11,892	1,08,443	3,40,876	2,79,459	2,11,841	1,800	210,041
Furniture, Fixtures & Furnishings	17,65,063	-	10,89,359	6,75,704	14,78,719	-	9,01,367	5,77,352	98,352	19,866	78,486
Kitchen Equipment	1,31,578	-	-	1,31,578	1,20,393	-	-	1,20,393	11,185	1,348	9,837
Sound System & Musical Instruments	7,10,983	-	3,26,715	3,84,268	6,71,827	-	3,08,982	3,62,845	21,423	1,668	19,755
Electrical Installations	13,93,503	-	-	13,93,503	7,60,474	-	-	7,60,474	6,33,029	3,385	629,644
Plant and Machinery	-	-	-	-	-	-	-	-	-	-	-
Vehicles	680	20,37,346	-	20,38,026	646	18,02,537	-	18,03,183	2,34,843	95,012	139,831
Total-B	49,86,305	21,97,715	18,58,497	53,25,523	37,28,375	19,10,980	15,51,225	40,88,130	12,37,393	1,24,276	1,113,117
Total (A+B)	1,30,09,593	78,55,032	46,98,014	1,61,66,611	1,12,87,445	74,16,808	42,26,784	1,44,77,469	16,89,142	5,76,025	1,113,117

Capital Work-in-Progress

Schedule - 4C

	Particulars	As at 31.3.2010
		₹
1	Work-in-Progress (at cost) including construction materials lying at the site and fixed assets not put to use, value of work done & material supplied by the contractors/suppliers	45,76,28,855
2	Expenses Attributed to Projects pending Allocation	1,39,91,979
3	Capital Goods in Hand and in Transit	24,61,927
		47,40,82,761
	- Less:- Provision for Impairment Loss	1,00,576
	TOTAL	*47,39,82,185

**It includes ₹ 471.18 lakh being carried forward for more than five years.*

Investments (at cost)

Schedule - 5

Particulars	As at 31.3.2010
	₹
Long Term Investments - At Cost	
Others (Unquoted)	
1 One fully paid ordinary share in Delhi Maida Consumers Cooperative Society Ltd., Delhi	25
TOTAL	25

Current Assets, Loans and Advances

Schedule - 6

Particulars			As at 31.3.2010
	₹	₹	₹
A. CURRENT ASSETS			
I. Interest Accrued on:			
Deposits		6,20,27,204	
Loans to Employees		45,42,118	
			6,65,69,322
II. Inventories:			
(As per inventories prepared, valued and certified by the Management at lower of cost or net realisable value)			
Stores and Spares	2,53,27,890		
Tools	71,301		
Crockery, Cutlery, Glassware and Linen etc.in hand and in use	2,24,67,311		
Stocks and Stores (Others)	6,82,91,899		
Goods-in-transit	63,90,468		
		12,25,48,869	
Less : Provision for Inventory Write Down		83,23,687	
			11,42,25,182
III. Sundry Debtors:			
Debtors outstanding for a period exceeding six months:-			
Considered Good (Secured)	38,08,556		
Considered Good (Un-secured)	26,41,77,185		
Considered Doubtful	19,06,86,634		
		45,86,72,375	
Other Debtors:			
Considered Good (Secured)	2,47,86,950		
Considered Good (Un-Secured)	44,60,13,849		
Considered Doubtful (Un-Secured)	-		
		47,08,00,799	
		92,94,73,174	
Less: Provision for Doubtful Debts		19,06,86,634	
			73,87,86,540
IV. Cash and Bank Balances:			
Cash balance on hand (Including Imprest & Foreign Currency Notes)		26,39,542	
Cheques in hand		4,33,83,943	
Remittances in transit		9,85,424	
Balance with Scheduled Banks:			
In Current Accounts		28,06,52,549	
In Deposit Accounts [includes Fixed Deposits of ₹ 5,17,296/- lodged as security]		2,72,98,94,984	
Balance with Non Scheduled Banks:			
In Current Account with Refidien Bank of Baghdad (ID)	1,22,956		
[Maximum Balance at any time during the year ₹ 1,22,956]			
Less:- Provision for Doubtful Recovery	1,22,956	-	
			3,05,75,56,442

Particulars			As at 31.3.2010
	₹	₹	₹
B. LOANS AND ADVANCES			
Advances recoverable in cash or in kind or for value to be received:			
Secured (Loans to Staff)		7,95,767	
Unsecured:			
Considered Good (Recoverable from Subsidiaries)*	2,08,00,000		
Considered Good (Others)	37,57,07,486		
Considered Doubtful (Others)	3,69,17,778		
	43,34,25,264		
Less: Provision for Doubtful Advances	3,69,17,778		
		39,65,07,486	
Security Deposits			
Considered Good	2,22,76,592		
Considered Doubtful	24,76,355		
	2,47,52,947		
Less: Provision for Doubtful Security	24,76,355		
		2,22,76,592	
Advance Income Tax and Tax Deducted at Source		32,73,29,660	
Sales Tax paid in advance		1,04,021	
			74,70,13,526
TOTAL			4,72,41,51,012

* ₹ 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.

Current Liabilities and Provisions

Schedule - 7

Particulars			As at 31.3.2010
	₹	₹	₹
A. CURRENT LIABILITIES			
Sundry Creditors			1,14,55,54,022
Security Deposits and Retention Money			31,27,20,767
Advances from Customers			98,94,81,035
Other Liabilities			16,76,08,219
			2,61,53,64,043
B. PROVISIONS			
For Leave Encashment		29,60,91,037	
Less : Fund size of investment with LIC		29,87,627	29,31,03,410
For Income Tax			7,60,11,911
For Wealth Tax			66,445
For Retirement Gratuity		58,97,02,117	
Less : Fund size of investment as per Gratuity Policy		43,59,99,609	
			15,37,02,508
			52,28,84,274
TOTAL			3,13,82,48,317

Sales, Income from Services Rendered and Other Income

Schedule - 8

Particulars		Year ended 31.3.2010
	₹	₹
A. SALES LESS RETURNS		
Food	44,42,95,401	
Beer, Wine & Spirits	18,94,45,575	
Cigars and Cigarettes	1,98,91,547	
Soft Drinks	2,74,74,661	
Cameras, Watches and Tape recorders	3,28,787	
Perfumes	1,80,975	
Petrol, Oil and Lubricants	8,34,34,548	
Miscellaneous Sales	1,05,67,984	
		77,56,19,478
B. INCOME FROM SERVICES RENDERED		
Room Rent	1,12,13,66,095	
Licence Fee	25,25,40,274	
Traffic Earnings and Package Tours	11,60,83,788	
Son-et-Lumiere & Cultural Shows	71,65,381	
Electricity Charges	3,71,03,736	
Telephone Services	11,50,925	
Advertisement Income	94,44,668	
Revenue from execution of Projects	4,98,02,591	
Management/Consultancy /Event Mgt./Training Fees	12,85,72,404	
Money Changing Business (Net)	6,165	
Travel Services	33,91,35,278	
Service Charges	2,88,75,037	
		2,09,12,46,342
C. OTHER INCOME		
Interest (Gross) from:-		
Banks / Financial institutions	20,73,93,249	
Loans to Employees	1,26,363	
On Income Tax Refunds	30,35,330	
Others	8,20,505	
[Tax deducted at source ₹ 3,28,86,985/-]		21,13,75,447
Dividend received from Subsidiary Companies(Gross)*		10,18,860
Profit on Sale of Assets	16,77,784	
Product Incentive	2,29,314	
Gain on Foreign Exchange Variation	20,36,457	
Grant from Ministry of Tourism	9,21,117	
Miscellaneous Income	6,84,65,244	
		7,33,29,916
TOTAL		3,15,25,90,043

** Received for the Financial Year 2007-08 from M/s Donyi Polo Ashok Hotel Corporation Ltd. (Subsidiary Corporation), AGM held on 20.05.2009.*

Cost of Material and Services

Schedule - 9

Particulars			Year ended 31.3.2010
	₹	₹	₹
Cost of Consumption of Raw Materials, other materials sold and Services rendered			
a. Provisions, Beverages & Smokes			
Opening Stock		1,17,53,580	
Purchases and Adjustments (including value of own production)		17,92,00,017	
		19,09,53,597	
Less: Transfers and Adjustments (at cost)	2,05,46,442		
Closing Stock	1,57,22,944		
		3,62,69,386	
			15,46,84,211
b. Wines and Liquors			
Opening Stock		3,92,27,115	
Purchases and Adjustments		7,05,78,264	
		10,98,05,379	
Less: Transfers and Adjustments (at cost)	1,40,15,273		
Closing Stock	4,51,62,175		
		5,91,77,448	
			5,06,27,931
c. Other Materials			
Opening Stock		74,14,088	
Purchases and Adjustments		9,50,52,711	
		10,24,66,799	
Less: Transfers and Adjustments (at cost)	39,95,495		
Closing Stock	63,52,628		
		1,03,48,123	
			9,21,18,676
d. Cost of Services Rendered/Purchased			
Execution of Projects		3,67,40,477	
Other Services		8,03,47,482	
			11,70,87,959
TOTAL			41,45,18,777

Employees' Remuneration and Benefits

Schedule - 10

Particulars	Year ended 31.3.2010
	₹
Salaries, Wages & Bonus	1,19,64,72,590
Employers Contribution to Provident & Other Funds	10,40,16,714
Staff Welfare Expenses (Including contribution to Staff Welfare Fund)	7,28,10,351
Uniforms	71,45,852
Deferred Revenue Expenditure (VRS) Written Off	2,18,96,585
Provision/contribution to Employees Gratuity Scheme (Net)*	11,22,43,378
	1,51,45,85,470
Less : Charged to the projects of the Ministry of Tourism	37,13,256
Charged to Ministry of External Affairs	2,01,36,731
TOTAL	1,49,07,35,483

**Refer note 12(ii) (c) to Notes to Accounts.(Schedule-12)*

Operating and Other Expenses

Schedule - 11

Particulars		Year ended 31.3.2010
	₹	₹
Travelling and Conveyance		
(a) Directors	19,77,325	
(b) Officers and Staff	1,62,12,842	
(c) Staff Car Expenses	48,51,911	
		2,30,42,078
Rent, Rates, Taxes and Insurance		
(a) Rent	6,43,20,764	
(b) Rates & Taxes	2,71,50,689	
(c) Insurance	40,94,371	
		9,55,65,824
Repairs and Maintenance		
(a) Plant and Machinery	4,45,85,507	
(b) Buildings	8,38,30,910	
(c) Vehicles	14,36,628	
(d) Others	6,88,81,229	
		19,87,34,274
Auditors' Remuneration (Including Branch Auditors)		
(a) Audit Fees	10,33,383	
(b) In other capacity in respect of :		
(i) Tax Audit Fees	2,73,004	
(ii) Certification	1,52,766	
iii) Out of Pocket Expenses	3,670	
		14,62,823
Directors' Sitting Fee		33,000
Legal and Professional Charges		1,39,06,487
Printing, Stationery and Periodicals		1,41,25,690
Communication Expenses		1,22,43,195
Power and Fuel		20,44,14,580
Advertisement, Publicity & Sales Promotion		3,53,41,972
Entertainment		24,31,690
Band and Music		46,06,779
Expenses on Cultural Shows		14,21,888
Commission to Travel Agents/Credit Card Companies		51,08,469
Licencees' share of profit		5,29,22,395
Miscellaneous Expenses		94,90,047
Upkeep, Service Cost and Other Operating Expenses		61,66,75,536
Loss on Sale of Fixed Assets/ W.Off of Assets		2,11,738
Depletion / Consumption & Breakages in Crockery, Cutlery & Utencils etc		50,20,135
Bad Debts		10,85,298
Provision for Doubtful Debts & Advances		3,57,67,668
Provision for Diminuition in Fixed Assets		1,91,533
Provision for Inventory Write Down/write off of inventory		9,75,930
TOTAL 'A'		1,33,47,79,029
LESS:		
Charged to the Projects of the Ministry of Tourism	10,15,615	
Charged to the Ministry of External Affairs	1,14,09,642	
Departmental Expenses Charged to ITDC Units	3,17,497	
TOTAL 'B'		1,27,42,754
TOTAL 'A-B'		1,32,20,36,275

Schedule - 12

Significant Accounting Policies and Notes to the Consolidated Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Convention

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

2) Use of Estimates

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

3) Disputed Income Tax and Sales Tax Demand

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

4) Fixed Assets and Depreciation

a) Fixed Assets

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

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

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

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

b) Depreciation

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

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

ii) On addition in the Fixed Assets during the period from 1.4.1987 to 15.12.1993, at the pre-revised rates as per the schedule XIV of the Companies Act, 1956.

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

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

The rates at which depreciation has been charged are given in annexure "A".

5) Investments

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

6) Valuation of Inventories

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

7) Execution of Projects for Clients

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

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

8) Deferred revenue Expenditure

Payment of compensation to employees retiring under Voluntary Retirement Scheme is treated as deferred revenue expenditure and written off over a period ending 31.3.2010.

9) 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.

10) 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.

11) 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.

12) 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.'

13) 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.

14) 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.

15. Borrowing Cost

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.

16. 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.

17. Claims

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

Schedule - 12

B. Consolidated Notes to Accounts :

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 seprate 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:

Names of the Subsidiary Companies	Share % of Profit/Losses
Assam Ashok Hotel Corporation Ltd.	51
Donyi Polo Ashok Hotel Corporation Ltd.	51
Madhya Pradesh Ashok Hotel Corporation Ltd.	51
Pondicherry Ashok Hotel Corporation Ltd	51
Punjab Ashok Hotel Company Ltd.	51
Ranchi Ashok Bihar Hotel Corporation Ltd	51
Utkal Ashok Hotel Corporation Ltd. (including Preference Shares)	98

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

** Accounts of ITDC Aldeasa India Private Ltd. are unaudited.*
All the above Companies are incorporated in India.

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

(Amount in ₹)

Fixed Assets	NIL
Current Assets	43,94,814
Current Liabilities	2,85,71,424
Provisions- Income Tax	3,410
Accumulated Losses	2,45,13,988
Income	15,111
Expenses- Operating & others	42,177
Prior Period Expenses	3,858
Profit/(loss) Before Tax	(-)30,924
Net Profit After Tax	(-)34,334

2. Contingent Liabilities

(₹ in lakh)

(a)	Particulars	Current Year
(i)	Claims against the Corporation not acknowledged as debts [includes for Property Tax ₹ 14.71 lakh demands from custom authority ₹ 21,874.68 lakh and are subjudice].	28,842.17
(ii)	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).	2,901.76
(iii)	Guarantees executed in favour of various authorities, banks and financial institution	212.27
(iv)	Letter of Credit outstanding	84.18
(v)	Income Tax matters in appeal [Includes appeals preferred by Income Tax Department ₹ 25.72 lakh.	514.24
(vi)	Sales Tax matters in appeal [includes ₹ 2,465.62 lakh in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharashtra Sales Tax Tribunal / High Court].	12,040.39
(vii)	Liability towards Service Tax (including interest thereon) pertaining to	
(a)	banqueting,including catering activities, at hotels up to 31.3.2007.	Amount unascertained
(b)	Liability towards work contract tax (including interest thereon) pertaining to building repair work carried at units.	Amount unascertained

Note No. (1) Contingent liabilities at Sl. No. 1(a)(i),1(a)(v) &1(a)(vi) 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.

(b) 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 ₹ 78.66 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.

(c) 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. 1.1.1992. the same shall be recognised on the basis of actual due.

(d) 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.

3. Current Liabilities and Provisions

(a) 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 .

(b) The Employees State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totalling ₹ 660.23 lakh towards ESI dues in respect of five hotel/catering units against which the Corporation holds a deposit of ₹ 319.32 lakh (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts- ₹ 302.22 lakh and amount deposited ₹ 17.10 lakh). Against this, the Corporation holds a liability of ₹ 194.42 lakh towards ESI dues. No provision has been made for the balance of ₹ 465.81 lakh as the matter is subjudice and pending finality in the matter, the same has been included under Contingent Liabilities at Sl. No. 1(a)(i) above.

(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 and upheld the earlier judgement of the Hon'ble High Court. Accordingly the premises was vacated and possession handed over to the owner on 28.2.2007. Pending determination by the Local Commissioner of the amount payable, no provision has been made in the accounts.

(d) Sundry creditors include unlinked receipts from customers etc.of ₹ 66.70 lakh which could not be linked to respective customer accounts, for want of adequate details.

4. Capital Work-in-Progress

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

(b) The physical inspection of the incomplete hotel project at Gulmarg since 1984-85 has been carried out during 2009-10 by the Corporation's engineers and architect, who have opined that the expected realisable value of the assets will be more than the amount invested up to 31.3.10 of ₹ 209.69 lakh and consequently, no provision for impairment of assets has been considered necessary.

5. Fixed Assets

(a) 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 Travel Management(AIH&TM) and Tennis Court at New Delhi.

(b) 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.

(c) Premium paid on Leasehold Land at Hotel Samrat, New Delhi have not been amortised in the absence of any tenure in terms of allotment.

(d) 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.

(e) Registration of title deeds in favour of the Corporation have not been effected in respect of:-

i) Land and building of Taj Restaurant at Agra

ii) Land at Gulmarg

(f) Lease deed in respect of Hotel Jammu Ashok was expired on 11.1.2010, pending renewal of the same liability towards lease rent etc. has not been provided.

(g) 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.

(h) 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 ₹ 1,171.13 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects. Adjustments, if any, to cost is proposed to be carried out upon final settlement of the bills.

6. Current Assets, Loans and Advances

(a) Confirmation of balances have not been received in most of the cases of Sundry Debtors, Creditors, Loans and Advances and Deposits. Besides in a few units, balances in customers accounts are under reconciliation with the General Ledger control account balances.Effect on the accounts on due confirmation, reconciliation and adjustments, thereof, cannot be indicated at this stage.

(b) The account of National Buildings Construction Corporation (NBCC) for work done at project in Iraq could not be reconciled due to non-receipt of detailed statement of account/confirmations from the party.

(c) Debtors and Advances include the following:-

(₹ in lakh)

Particulars	Current Year
(i) Debts due from Directors and officers of the Corporation	-
Maximum amount due from Directors and officers of the Corporation during the year	0.51
(ii) Advances due from Directors and officers of the Corporation	5.63
Maximum amount due from Directors and officers of the Corporation during the year	20.19

(d) Amount recoverable includes ₹ 268.73 lakh from NDMC relating to transfer of fixed assets of erstwhile Akbar Hotel as agreed with them under package deal. The NDMC has agreed to adjust this amount against dues of Property Tax upon finalisation and determination of the said amount.

7. Profit & Loss Account

(a) The current liabilities, current assets and revenue items of project at Iraq in US Dollar have been converted on the basis of prevailing rate of exchange as on 31.3.2010.The net gain of ₹ 3.31 lakh has been credited to Profit & Loss Account. Further in case of M/s NBCC, the liability has been shifted in INR in view of issue of bonds by EXIM Bank to NBCC in INR against amount payable in US Dollar. The balance in Iraqi dinar, however, continues to appear in books as recorded as on 31.3.1991 in view of non-availability of exchange rate.

(b) Interest on deferred payments from M/s NBCC from 1.4.1994 onwards regarding Iraq project has not been accounted for in the absence of advice from NBCC.

(c) 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.

(d) Deffered Revenue Expenditure, relating to compensation paid to employees opting voluntary retirement, written off during the year is as under:

1 Employees' Remuneration and Benefits also include ₹ 2.98 lakh representing Deferred Revenue Expenditure (VRS) written off out of the balance of compensation paid to employees retired under Voluntary Retirement Scheme introduced during 2005-06 as detailed below:-

(₹ in lakh)

	Current Year
i) Opening Balance	2.98
ii) Less:- Amount written off during the year	2.98
iii) Closing Balance	-

2 Employees' Remuneration and Benefits also include ₹ 93.59 lakh representing deferred revenue expenditure(VRS) written off out of the balance of compensation paid to employees retired under Voluntary Retirement Scheme introduced during 2007-08 as detailed below :-

(₹ in lakh)

	Current Year
i) Opening Balance	93.59
ii) Less:- Amount written off during the year	93.59
iii) Closing Balance	-

3 Employees' Remuneration and Benefits also include ₹ 133.12 lakh representing deferred revenue Expenditure (VRS) written off out of the balance of compensation paid to employees retired under Voluntary Retirement Scheme introduced during 2008-09 as detailed below: -

(₹ in lakh)

	Current Year
I) Opening Balance	122.40
ii) Amount paid during the year	10.72
iii) Less:-Amount charged to respective head of account(Employees Remuneration & benefits)	10.72
iv) Less:-Amount written off during the year	122.40
v) Closing Balance	-
Total closing balance [(d) 1, 2 & 3]	-

(e) The Corporation has been managing Hotel Bharatpur Ashok, Kosi Restaurant and Son-et-Lumiere Show at Sabarmati owned by Ministry of Tourism and the profit/loss in respect of these units is accounted for by the Corporation, in the respective Schedules of Profit & Loss Account.

(f) Expenses on generation of power:-

(₹ in lakh)

Particulars	Current Year
Salaries and Wages	3.08
Fuel	48.24
Depreciation	7.31
Repairs	14.03
Total	72.66

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

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

(₹ in lakh)

Particulars	Current Year
Opening Balance	120.12
Add:-	
Other Project Overheads	19.53
Depreciation/Amortisation of Lease	0.26
Less: Capitalised during the year	-
Closing Balance	139.91
[see Schedule 4(c)]	

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

(i) Income/expenditure and adjustment relating to earlier years charged to Profit & Loss Account are as follows:-

(₹ in lakh)

Particulars	Current Year
Income:	
1 Beer, Wine and Spirit Sales	(0.40)
2 Income from Services Rendered : Room Rent/ Licence Fee	139.29
3 Others :	
Employees' Remuneration and Benefits	0.92
Rent Recovery	0.26
Miscellaneous Income	(84.51)
Total	55.56
Expenditure:	
1 Cost of consumption of Raw Material, other materials sold and services	(49.92)
2 Employees' Remuneration and Benefits	13.81
3 Travelling and Conveyance	0.53
4 Rent, Rates, Taxes and Insurance	866.87
5 Repairs and Maintenance	8.83
6 Legal and Professional Charges	1.60
7 Printing, Stationery and Periodicals	0.15
8 Communication Expenses	1.58
9 Power and Fuel	1.83
10 Advertisement, Publicity and Sales Promotion	0.43
11 Sundry Expenses	7.61
12 Upkeep and Service Cost and Other Operating Expenses	(2.77)
13 Depreciation	0.22
14 Newspaper, Books & Magazines	0.18
15 Payment to Hired Vehicles	0.03
16 Membership & Subscription	1.00
17 Hire Charges	1.00
18 Entertainment Expenditure	0.03
Total	853.01

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

(₹ in lakh)

	Particulars	Current Year
1	Provision for Doubtful Debts and Advances	58.28
2	Depreciation	1.00
3	Cost of Material Sold and Services Rendered	16.82
4	Salaries Wages and Benefits	64.11
5	Repairs and Maintenance	15.81
6	Upkeep & Service Cost	27.55
7	Other Operating and Administrative Expenses	3.63
8	Provision for Diminution in Fixed Assets	1.56
9	Provision for Inventory Written Down	3.89
10	Legal & Professional Charges	0.03
11	Rates & Taxes	0.25
	Total	192.93

(k) Cost of consumption of Raw material, other materials sold and services in Schedule '9' includes cost of food consumed by operational staff at catering establishments (amount not ascertained).

(l) Out of the balance amount of ₹ 20.56 lakh of Deferred Government Grants from the Ministry of Tourism for the renovation/ upgradation of properties, a sum of ₹ 9.21 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 ₹ 11.35 lakh at the close of the year has been presented in the accounts as Deferred Government grant after Reserve and Surplus.

(m) ₹ 1,629.88 Lakh spent on renovation during the year at various hotels has been segregated as relating to capital ₹ 1,116.96 lakh and revenue expenditure ₹ 512.92 lakh based on certificate issued by the Project engineer and which have been relied upon by the auditors.

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

(b) Consequent to the finalisation of revised licence agreements in case of one of the hotel unit, a sum of ₹ 334.28 lakh has been accounted for as income from services rendered during the year.

8. Disinvestment of Hotel Units

(a) As per Government of India's policy of disinvestment, 10 hotel units of the Corporation were disinvested in the year 2001-02 and 11 more hotel units were disinvested and handed over during the year 2002-03. The entire exercise relating to disinvestment process was handled directly by the Ministry of Disinvestment, Government of India.The salient features of the scheme of demerger between ITDC and respective newly incorporated companies for each disinvested hotel unit are as under:-

i) With effect from appointed date, i.e. 31.3.2000, the disinvested units, pursuant to the provisions contained in Section 394 of the Companies Act, 1956, were transferred to and vested in the transferee companies along with all assets, liabilities, debts and obligations pertaining to disinvested units.

ii) The units got demerged w.e.f. 31.3.2000 and thereafter up to the date of handing over, ITDC is deemed to have carried on all business relating to disinvested units for and on account of and in trust for the transferee companies.

iii) With effect from 31.3.2000 and up to the date of handing over on the date of signing of the share purchase agreements, all profits accruing to ITDC or losses arising or incurred by it relating to disinvested units were, for all purposes, to be treated as the profits or losses, as the case may be, of the transferee companies.

(b) As per the Share Purchase Agreements between the purchasers, transferee companies and Government of India (Department of Tourism), the post closing adjustments are to be settled by the Department of Tourism with the respective purchasers on the basis of audited accounts of disinvested units as of 31.3.2001. Therefore the amount of ₹ 1,326.12 lakh (comprising of transfer of funds from Corporate Office/remittances made and expenses incurred by Headquarters and other units on behalf of disinvested units and net of other transactions) has been shown as recoverable from 15 transferee companies on account of carrying on the businesses of disinvested units for and on account of and in trust for transferee companies as per (a) above during the period from 1.4.2001 up to dates of handing over of the respective units and the same is included in Loans & Advances. In case of 3 transferee companies (net of similar transactions) amounting to ₹ 356.45 lakh due to them, is included in Sundry Creditors. However, no confirmation from respective transferee companies have been obtained.

(c) Regarding the claim for the period from 1.4.2000 to 31.3.2001 - ₹ 3,316.30 lakh (including ₹ 61.48 lakh recoverable directly from a transferee company in respect of units at Bengaluru, the share holding of which continues to be with Government and other existing shareholders), the claims have been lodged with the Department of Tourism, Government of India and as the Government has not taken any decision till date on these claims, the same has not been accounted for as recoverable in accounts.

9. Against the Share Application money of ₹ 73.00 crore received from Government of India in December 2007, 1,82,50,000 no. of equity shares have been allotted to The President of India through preferential allotment on 14.9.2009 @ ₹ 40/- per share (including premium ₹ 30/- per share) in the demat form. These shares will rank pari passu and have the lock-in period of 3 years.

10. Rental agreement with Life Insurance Corporation of India (LIC) expired on 25.7.2005 and was pending renewal. Pending finalisation of terms and conditions and execution of new lease deed, the Corporation had provided for rent payable to the Life Insurance Corporation of India, for premises under its occupation @ ₹ 60/- per sq.feet for the period from 26.7.2005 to 22.2.2008 and ₹ 100/- per sq.feet for the period from 23.2.2008 to 31.3.2010 as against ₹ 100/- per sq. feet originally indicated by the LIC for the entire period. Pending renewal of agreement / finalisation of terms and conditions with LIC amount of ₹ 188.94 lakh being the difference between the amount indicated by the LIC

₹ 100/- per Sq. feet and that provided up to the period 22.2.08 has been included under Contingent Liabilities in para 1 (a) (i).

11. (a) The Corporation had, with due approval of its Board and Administrative Ministry vide its letter dated 27.10.2010, decided to implement and implemented the wage settlement in respect of unionized workers on IDA pattern w.e.f. 1.1.2007. Accordingly, the liability on account of the Arrears of Pay Revision amounting to ₹ 3,335.24 lakh (Including implication to PF and other allowances) for the period from 1.1.2007 to 31.3.2010 has been provided and charged to Profit & Loss Account.

(b) Though the Corporation had considered the Provident Fund in cases referred to in (a) above, no such consideration could be given to the provisions for Gratuity and Leave Encashment, due to pay revision. Effect on the accounts on due quantification and recording, thereof, cannot be indicated at this stage.

(c) The Donyi Polo Ashok Hotel Corporation Limited had with due approval accorded by the Board through its Resolution by Circulation under Section-289 of the Companies Act, 1956 dated 8th March, 2010, it was notified to implement the 6th Pay Commission recommendation in Donyi Polo Ashok Hotel Corporation Ltd. Itanagar as per State Government's Notification (Arunachal Pradesh Government Orders No. Fin/E-II/22/2008 dated 5.1.2009 and subsequent Order No. Fin/E-II/22/2008 dated 27.2.2009 and No. Fin/E-II/22/2008 dated 11.8.2009). As per Government of Arunachal Pradesh order the revised salary to the Government employees has become effective from 1.1.2006. Subsequently, the Office Memorandum issued by the competent authority vide Ref. No. HDPA/P&Admn/6th Pay 2010 dated 22.3.2010. The liability on account of the pay revision for employees amounting to ₹ 32.20 lakh has been charged to Profit & Loss Accounts for the period w.e.f 1.1.2006 to 31.3.2009 and for the ₹ 69.70 lakh for the financial year 2009-10.

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

(₹ in lakh)

a)	Aggregate amount of Revenue Recognised up to the reporting date	10,357.79
b)	Aggregate cost incurred up to reporting date	9,182.37
c)	Revenue recognised during the current financial year	498.02
d)	Cost incurred during the financial year	367.41
e)	Total amount of funds received up to the Reporting date	16,399.59
f)	Advance due to customers up to Reporting Date	6,403.50
g)	Advance due from Customers up to Reporting Date	395.59

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

(a) Provident Fund - 12% of Basic (including Dearness Pay) plus Dearness Allowance, contributed to Recognised Provident Fund

(b) Leave Encashment - Payable on separation to eligible employees who have accumulated earned leave

(c) 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 in the case of board level, below board level and non unionised supervisory cadres is ₹ 10.00 lakh & for others it is ₹ 10.00 lakh.

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

(Amount in ₹)

Sl. No	Particulars	Gratuity	Leave Encashment
	Fair value of Defined Obligation		
i.	Present value of projected benefit obligation as at 1.04.09	49,52,87,105.00	29,04,39,113.00
ii.	Current service cost	2,41,78,713.00	1,36,22,015.00
iii.	Interest cost	3,94,77,739.00	2,31,50,586.00
iv.	Acturial gain(-) / losses(+)	7,86,47,311.00	(3,06,01,267.00)
v.	Past service cost	-	-
vi.	Benefits paid	(4,78,88,751.00)	(5,19,410.00)
vii.	Present value of projected benefit obligation as on 31.03.2010	58,97,02,117.00	29,60,91,037.00
	Reconciliation of fair value of Assets and obligations		
i.	Fair value of plan assets as on 1.04.2009	27,71,77,288.00	27,76,513.00
ii.	Acquisition adjustment	-	-
iii.	Expected return on plan assets	3,00,56,988.00	2,40,168.00
iv	Actual Company's contribution	17,66,50,688.00	-
v.	Acturial gain(-) / losses(+)	3,396.00	(1,035.00)
vi.	Benefits paid	(4,78,88,751.00)	(28,019.00)
vii	Fair value of plan assets as on 31.03.2010	43,59,99,609.00	29,87,627.00
viii.	Present value of defined obligation	58,97,02,117.00	29,60,91,037.00
ix.	Net liability recognised in the Balance Sheet (Schedule-7)	15,37,02,508.00	29,31,03,410.00
	Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2010		
i.	Current service cost	2,41,78,713.00	1,36,22,015.00
ii.	Interest cost	3,94,77,739.00	2,31,50,586.00
iii.	Acturial gain(-) / losses(+)	7,81,15,511.00	(3,06,00,232.00)
iv.	Past service cost	-	-
v.	Expected return on plan assets	(2,95,28,585.00)	(2,40,168.00)
	Total	11,22,43,378.00	59,32,201.00
	Employees remuneration & benefit charged to Profit & Loss A/c- a) Gratuity	11,22,43,378.00	-
	b)- others	-	59,32,201.00
	Gratuity Fund Investment details (Fund manager wise, to the extent funded) As on 31.03.2010		
	Life Insurance Corporation of India	26,01,60,778.00	29,87,627.00
	Life Insurance Corporation of India	11,44,15,551.00	-
	HDFC Standard Life Insurance	2,03,68,531.00	-
	AVIVA Life Insurance Company India Ltd.	4,10,54,749.00	-
	Total	43,59,99,609.00	29,87,627.00
	Acturial assumption		
I	Discount rate	7.00% per annum	7.00% per annum
ii.	Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
iii.	Withdrawal rate(18-60 years)	2% p.a	0% up to 30 years, 1% up to 44 years, 3% thereafter
iv.	Expected rate of plan assets	8.33%	NIL
v.	Future salary increase	5.00% per annum	5.00
vi	Retirement age	58 years	58 years

iii) Disclosure pursuant to Accounting Standard 17 on Segment Reporting is given in Annexure "B" to this Schedule.

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

Key Management Personnels : -
ITDC Limited

1 Dr. Lalit K. Panwar, C&MD w.e.f. 21.4.2010.

2 Mr. Sanjay Kothari, Ex. C&MD from 1.12.2009 to 21.4.2010.

3 Mr. Parvez Dewan, Ex.C&MD from 5.4.2006 to 1.12.2009.

4 Mr. P.K. Agarwal, Director (Finance) w.e.f. 29.7.2010.

5 Mr. P.P. Singh, Ex. Director (Finance) w.e.f. 25.8.2005 to 28.2.2010.

6 Mr. Rajiv Makin, Ex Director (C&M) w.e.f. 17.10.2008 to 31.7.2010.

Payment made to key management personnels and their relatives.

(Amount in ₹)

Remuneration	35,14,119.00

v) 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 and Benefits (Schedule-10) and Operating and Other Expenses (Schedule-11). In some of the hotel units, arrangements made with other parties to operate restaurants and other business premises are on licence basis which are also not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

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

Particulars	31st March, 2010
BASIC & DILUTED	
Net Profit available for Equity Shareholders	(12,66,95,423)
Weighted Number of Equity Shares of ₹10 each	7,74,69,400
Basic & Diluted Earnings per share (₹)	(1.64)

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

The major components of Deferred Tax Assets (net) as on 31.3.2010 are given below:-

(₹ in Lakh)

	Particulars		31st March, 2010
DEFFERED TAX LIABILITIES			
1	Depreciation		635.49
DEFFERED TAX ASSETS			
1	Brought forward business losses and unabsorbed depreciation	34.13	
2	Provision for Gratuity	496.02	
3	Provision for Doubtful Debts & Advances and Inventory write down	732.07	
4	Disallowances under Income Tax Act, 1961	2,354.80	3,617.02
DEFFERED TAX ASSETS (NET)			2,981.53

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 31.3.2010 has been recognised in the financial statements.

viii) **Impairment of Assets:-** Accounting Standard - 28)

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, 2010, 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, no such impairment loss warranting recognition/provision was noticed.

ix) Disclosure in pursuance to Accounting Standard - 29 - Provisions, Contingent Liabilities and Contingent Assets as per Schedule 'C' attached.

x) In respect of Assam Ashok Hotel Corporation Limited, disputed billing revenue of ₹ 2,45,58,698.12 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 towards the Catering Service during the National Games events. As the matter is disputed and Company is contemplating for settlement through Arbitration.

13 Additional Information Pursuant to the 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
i)	Beer, Wine and Spirits	403.67
ii)	Cigars and cigarettes	261.96
iii)	Other items:	
	Perfumes	0.19
iv)	Capital Goods	279.61
	Total	945.43

b) Expenditure in Foreign Currency :-

(₹ in lakh)

Particulars	Current Year
Travelling	8.39
Total	8.39

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

(₹ in lakh)

	Particulars	Current Year
i)	Boarding, Lodging and other Facilities	952.68
ii)	Sale of Goods at Duty Free Shops	540.40
v)	Gain in Foreign Exchange(net)	20.36
	Total	1,513.44

(d) Remuneration paid to the Directors :

(Amount in ₹)

	Particulars	C&MD	Other Directors	Total
i)	Salary & Allowances	19,93,093.00	13,11,577.00	33,04,670.00
ii)	Employer's Contribution to Provident Fund	-	1,46,384.00	1,46,384.00
iii)	Other Perquisites (as per IT Rules)	12,042.00	51,023.00	63,065.00
	Total	20,05,135.00	15,08,984.00	35,14,119.00

Above figures exclude contribution to Gratuity Fund. Corporation's Car has been officially provided to whole time Directors. The recovery in respect of private use of cars are made in accordance with the Government instructions.

(e) (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 .

(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.

(f) Additional information regarding details of opening stock, purchases, closing stock, consumption of raw materials, sales and services and consumption of imported and indigenous raw material, spare parts and components has not been given as the Corporation has been exempted from providing such information vide Order No. 46/180/2009-CL-III of the Ministry of Corporate Affairs dated 2.7.2009 for the financial years 2008-09 to 2010-11.

(g) The Corporation has been vide letter dated 4.11.2010 exempted under Section 212(8) from annexing the Accounts of Subsidiary Companies with the Annual Accounts of the Corporation from the Ministry of Company Affairs,Government of India for the period up to 31.3.2010.

14 The Utkal Ashok Hotel Corporation Limited, Puri was incurring huge loss since its inception and was not even generating enough revenue to meet its operational expenses and had no viability to be run as a commercial entity. The Board of Directors in their meeting held on 23rd March, 2004, after reviewing the performance in view of the losses standing at ₹ 946.20 lakh up to 31.3.2003 had resolved to temporarily close down the commercial operation of the unit effective from March 2004. Subsequently, the Government of India directed ITDC to examine various options including long term lease in respect of Hotel Nilachal Ashok, Puri. Therefore, in accordance with the decision of the Govt. of India, the Board of Directors in their meeting held on 21st June, 2005 approved the leasing out of the Hotel Nilachal Ashok, Puri for a period of 30 years. Further, the State Govt. while granting the permission vide their letter dated 26.5.2007 allowed Utkal Ashok Hotel Corp., Puri to sublease the land for a period of 40 years. The Board in its meeting held on 9.6.2008 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 2009-10 have been prepared on "Going Concern" basis/assumption.

15 The Company, 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 30.3.2000. Accordingly, the company has been granted lease hold rights for 99 years. There was no commercial activity during the Financial Year 2009-10. The construction work of company's hotel project at Anandpur Sahib has been at a standstill for quite sometime for paucity of funds.

16 As per the provisions of AS-21, the comparative figures for the previous period have not been given, since the consolidated financial statements are being presented for the first occasion.

(V.K. Jain) Company Secretary	(P.K. Aggrawal) Vice President (F&A)	(P.K. Agarwal) Director (Finance)	(Dr. Lalit K. Panwar) Chairman & Managing Director	As per our Report of even date For Grover, Lalla & Mehta Chartered Accountants (Firm No. 002830 N)

Place: New Delhi
Dated: 7.12.2010

(Ashok Grover)
Partner
(M.No. 81784)

Annexure "A" to Schedule 12 (Significant Accounting Policy No. 4)

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.	Buildings 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.	Electric Installations	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 and Musical Instruments	8.64	5.28	11.31	5.15	10.34	4.75
7.	Furniture, Fixutres and Furnishings	9.50 to 31.67	9.50 to 31.67	5.15	3.34	9.50	6.33
8.i	Office and Miscellaneous Equipment	8.64	5.28	5.15	5.15	4.75	4.75
ii.	Computers	-	-	16.21	16.21	16.21	16.21
9.	Coolers and Refrigerators	8.64	5.28	11.31	5.15	10.34	4.75
10.	Airconditioners (both plant & window type)	8.64	5.28	5.15	5.15	4.75	4.75
11.	Vehicles (staff car, scooter, etc.)	10.56	10.56	7.07	7.07	9.50	9.50
12.	Transport Vehicles	-	16.21	-	16.21	-	16.21
13.	Sanitary installations	8.64	5.28	11.31	5.15	10.34	4.75
14.	Assets Costing Rs. 5,000 and below ****	-	-	-	-	100%	100%
15.	Leasehold Land	Based on lease period					
16.	Intangible Assets (Software)	Amortised over a period of legal right to use or 3 years, whichever is earlier					

* *On additions to the fixed assets up to 1986-87.*

** *On additions to the fixed assets from 1987-88 to 15.12.93.*

*** *On additions to the fixed assets from 16.12.93 and onwards.*

**** *Assets costing Rs.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.*

Consolidated Annexure "B" to Schedule 12 {Note No. 12 (iii)}
Segment Reporting-AS-17

(₹ in lakh)

		Hotel/Restaurant Operations	Duty Free Shops Operations	Travels & Tour Operations	SEL, ARMS & Misc. Operations	Construction and Consultancy Project	Others	Total for Company
		2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
	PRIMARY DISCLOSURE (Operation-wise)							
A	Segment Revenue							
a)	Total Revenue	21,307.28	558.51	5,660.10	1,591.27	692.04	2,264.21	32,073.41
b)	Less Inter Segment Revenue	85.21	-	109.57	352.73	-	-	547.51
c)	External Revenue	21,222.07	558.51	5,550.53	1,238.54	692.04	2,264.21	31,525.90
2	Segment Results							
	Profit/(Loss) before Interest, Tax and Overheads	(526.12)	(168.25)	(160.54)	127.82	(700.68)	2,433.70	1,005.93
	Less: Allocable Corporate Overheads						2,818.69	2,818.69
	Less: Interest	19.94	-	-	-	-	0.03	19.97
	Less: Provision for Income Tax	40.09	-	-	0.03	-	720.00	760.12
	Less: Provision for Wealth Tax						0.66	0.66
	Less: Provision for Fringe Benefit						-	-
	Less: Provision for Deferred Tax	7.51					(1,309.14)	1,301.63
	Add : Deferred Tax Assets Recognised						-	-
	Add: Provision for Income Tax for earlier year written back	1.32					31.58	32.90
	Add: Currency Translation Reserve made in earlier year written back	-	-	-	-	-	-	-
	Profit/(Loss) available for Appropriation	(592.34)	(168.25)	(160.54)	127.79	(700.68)	235.04	(1,258.98)
3	Segment Assets (Current assets plus fixed assets & WIP)	16,319.50	879.43	1,431.10	1,466.30	5,091.92	33,069.76	58,258.01
4	Segment Liabilities	16,997.24	953.89	1,287.08	3,485.96	9,888.47	(1,230.16)	31,382.48
5	Depreciation & Amortisation in Respect of Segment Assets for the period	422.54	0.29	15.47	1.78	0.90	20.25	461.23
6	Cost incurred during the period to Acquire Segment Assets (Tangible & Intangible fixed assets)	1,300.53	1.16	0.17	1.92	0.14	20.97	1324.89
7	Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment	969.59	2.63	80.19	76.34	175.24	466.09	1770.08

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

Schedule - C

Disclosure in pursuance to Accounting Standard-29-(Provision, Contingent Liability, and Contingent Assets:

(₹ in lakh)

Name of Provision	Opening Balance as on 01-04-2009	Provided during the year relating to 2009-10	Provided during the year relating to 2008-09	Payments/ Adjustment during the year	Provision Reserved/ written back	Closing balance as on 31-03-2010
Fringe Benefit Tax	43.35	-	-	42.56	0.79	0.00
Income Tax	1,655.15	760.12	-	1,623.05	32.10	760.12
Proposed Dividend	857.69	-	-	857.69	-	0.00
Taxes on Proposed Dividend	144.04	-	-	144.04	-	0.00
Wealth Tax	-	0.66	-	-	-	0.66
TOTAL	2,700.23	760.78	0.00	2,667.34	32.89	760.78

Consolidated Cash Flow Statement for the Year ended 31st March, 2010

	Particulars	Year ended 31.3.2010
		₹
A	Cash Flow from Operating Activities	
	Net profit/(Loss) before tax, prior period & extraordinary items	(12,28,20,375)
	Adjustments for:	
	Depreciation	4,61,23,262
	Deferred Revenue Expenditure Written Off	-
	Deferred Revenue Expenditure (VRS) Written Off	2,18,96,585
	Diminution in Value of Fixed Assets	(77,355)
	Interest Expense on Loans	19,96,621
	Interest Income	(21,13,75,447)
	Dividend income	(10,18,860)
	Deferred Government Grant	(9,21,117)
	(Profit)/Loss on Sale of Fixed Assets (Net)	(14,66,046)
	Provision for Impairment Loss	-
	Provision for Inventory Write Down	9,75,930
	Provision for Doubtful Debts and Advances	3,57,67,668
	Bad Debts Written-Off	10,85,298
	Operating Profit before Working Capital Changes	(22,98,33,836)
	Adjustments for:	
	Decrease/ (Increase) in Sundry Debtors	4,55,63,347
	Decrease/ (Increase) in Loans and Advances	(16,59,297)
	Decrease/ (Increase) in Inventories	(1,20,59,459)
	Increase/ (Decrease) in Trade Payables, Other Liabilities	65,24,38,187
	Direct Taxes (Net)	(16,77,72,283)
	Prior Period Adjustments	(7,97,45,443)
	Provision no longer required Written Back	1,92,93,407
	Net Cash from Operating Activities	22,62,24,623
B	Cash Flow From Investing Activities	
	Purchase of Fixed Assets	(13,24,88,957)
	Sale of Fixed Assets and Adjustments	44,68,642
	Reduction/(Addition) of Work-in-Progress	(35,47,00,850)
	Decrease/ (Increase) in Investment	-
	Dividend Received from Subsidiary	10,18,860
	Interest Received	20,40,59,800
	Net Cash Flow from/(used in) Investing Activities	(27,76,42,505)

C	Cash Flow From Financing Activities	
	Interest Paid	(19,96,621)
	Loan	18,31,651
	Repayment of Secured Loan	
	Dividend Paid	(8,77,64,400)
	Dividend Tax Paid	(1,46,83,393)
	Net Cash Flow from/(used in) Financing Activities	(10,26,12,763)
	Net Increase in Cash and Cash Equivalents (A+B+C)	(15,40,30,645)
	Cash and Cash Equivalents (Opening Balance)*	3,21,15,87,087
	Cash and Cash Equivalents (Closing Balance)*	3,05,75,56,442

** For details refer to Schedule '6' A(IV)*

(V.K. Jain)
Company Secretary

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

(P.K. Agarwal)
Director (Finance)

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

As per our Report of even date
For Grover, Lalla & Mehta
Chartered Accountants
(FRN002830N)

(Ashok Grover)
Partner
(M.No. 81784)

Date : 7th December, 2010
Place : New Delhi

Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of India Tourism Development Corporation Limited for the Year ended 31st March, 2010

The preparation of financial statements of **India Tourism Development Corporation Limited** for the year ended 31st March, 2010 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 7th December, 2010.

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, 2010. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

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

Place : New Delhi
Dated : 27th December, 2010

Ten-Year Financial Statistics — 2001-10

(₹ in lakh)

Particulars	2000-01	2001-2002	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Equity Capital	6,751.94	6,751.94	6,751.94	6,751.94	6,751.94	6,751.94	6,751.94	6,751.94	6,751.94	8,576.94
Share Application Money	-	-	-	-	-	-	-	7,300.00	7,300.00	-
Reserves & Surplus	13,630.47	4,362.03	3,691.99	3,964.41	6,840.96	11,419.84	14,396.02	17,223.76	18,758.67	22,802.59
Net worth	18,639.69	10,098.98	9,826.56	9,804.08	12,710.61	17,600.92	20,851.69	31,017.02**	32,591.64**	31,379.53
Secured Loans	-	-	-	17.18	11.25	9.75	2.85	0.74	-	-
Unsecured Loans:										
From Government	-	-	-	1,600.00	1,530.00	-	-	-	-	-
From Financial Institution/Banks	173.32	618.03	292.50	227.50	-	-	-	-	-	-
Gross Block	19,274.52	10,107.91	10,375.09	10,428.70	10,545.69	10,890.71	11,208.09	11,520.53	12,011.92	12,866.37
Depreciation (cumulative)	10,546.47	5,898.07	6,138.65	6,362.04	6,612.95	6,910.14	7,120.31	7,200.43	7,403.56	7,479.18
Net Block	8,728.05	4,209.84	4,236.44	4,066.66	3,932.74	3,980.57	4,087.78	4,320.10	4,608.36	5,387.19
Current Assets, Loans & Advances	18,268.51	14,384.91	15,441.13	23,431.38	28,094.33	33,467.39	53,425.25	59,973.48	50,158.73	47,858.68
Current Liabilities & Provisions	10,874.46	9,636.27	10,592.31	16,875.34	18,789.96	21,577.02	38,700.26	35,752.84	25,593.31	30,132.26
Working Capital	7,394.05	4,748.64	4,848.82	6,556.04	9,304.37	11,890.37	14,724.99	24,220.64**	24,565.42**	17,726.42
Capital Employed	16,122.10	8,958.48	9,085.26	10,622.70	13,237.11	15,870.94	18,812.77	28,540.74	29,173.78**	23,113.61
Debt : Equity Ratio	0.03 : 1	0.09 : 1	0.04 : 1	0.27:1	0.23:1	0.0014:1	0.0004:1	0.0001:1	-	-
Turnover	30,560.00	18,443.76	23,840.41	29,065.05	36,349.45	37,363.53	56,410.65	47,027.14	41,343.23	29,974.87
Profit/(Loss) before tax & Prior Period Adjustments and extraordinary items	-3,361.60	-3,654.78	-120.85	76.44	3,209.92	5,095.69	7,005.43	7,288.50	3,864.90	-1265.45
Prior Period Adjustment and Extraordinary Items	-183.84	*-5,370.97	*-788.74	209.75	-94.07	61.27	-128.37	-347.81	-45.69	-785.68
Profit/(Loss) before tax	-3,545.44	-9,025.75	-909.59	286.19	3,115.85	5,156.96	6,877.06	6,940.69	3,819.21	-2,051.13
Tax Liability	1.43	0.62	0.49	15.79	245.23	1,260.03	2,650.00	2,850.00	1,600.00	720.00
Fringe Benefit Tax	-	-	-	-	-	32.00	42.00	50.00	41.00	0.00
Deferred Tax	-	-369.52	-240.04	151.67	1,207.58	604.37	-289.32	-381.88	-312.33	-1309.14
Provision for Income Tax of Earlier Years written back/(charged)	-	-	-	-	5.93	0.63	81.69	-14.95	46.10	31.58
Deferred Tax Asset Recognised	-	-	-	153.69	1,207.58	1,317.70	-	-	-	-
Profit/(Loss) After Tax	-3,546.87	-8,656.85	-670.04	272.42	2,876.55	4,578.88	4,556.07	4,407.63	2,536.64	-1,431.08
Transfer from Currency Translation Reserve	-	-	-	-	-	-	-	-	1.57	-
Amount Available for Appropriation	-3,546.87	-8,656.85	-670.04	272.42	2,876.55	4,578.88	4,556.07	4,407.63	2,538.21	-1,431.08
Foreign Exchange Earnings (Direct)	10,586.92	7,899.52	10,076.76	12,164.89	15,659.21	14,693.66	14,910.40	5,722.66	2,010.34	1,508.88
Dividend	-	-	-	-	-	-	1,350.39	1,350.39	857.69	-
Percentage of Profit Before Tax to :										
a) Turnover	-	-	-	0.98	8.57	13.80	12.19	14.76	9.24	-
b) Capital Employed	-	-	-	2.69	23.54	32.49	36.56	24.32	13.09	-
c) Net worth	-	-	-	2.92	24.51	29.30	32.98	22.38	11.72	-
d) Equity capital	-	-	-	4.24	46.15	76.38	101.85	102.80	56.56	-
Percentage of Profit After Tax to :										
a) Turnover	-	-		0.93	7.91	12.25	8.07	9.37	6.13	-
b) Capital Employed	-	-	-	2.56	21.73	28.85	24.22	15.44	8.69	-
c) Net worth	-	-	-	2.78	22.63	26.01	21.85	14.21	7.78	-
d) Equity capital	-	-	-	4.03	42.60	67.82	67.48	65.27	37.57	-

**Includes Loss on transfer of disinvested units.*
***Includes the impact of Share Application Money*