Contents

Board of Directors

(as on 31st August, 2011)

Chairman & Managing Director

Dr. Lalit K. Panwar

Directors

Smt. Dipali Khanna

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 H. Gambhir & Co.
M/s Subrata Das & Co.
M/s Thirlochan & Co.
M/s R.K. Kumar & Co.
M/s A.R. Joshi & Co.
M/s Sood Brij & Associates
M/s Pardeep Tayal & Co.
M/s Subodh Goel & Co.
M/s L.N. Chaudhary & Co.
M/s Dhoot & Associates
M/s Dharamvir Chopra & Co.
M/s Purushottam Agrawal & Co.
M/s ASA & Associates
M/s S.B. Dandeker & Co.
M/s Sheth & 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

Axis Bank

IDBI Bank Ltd

HDFC Bank

United Bank of India

NOTICE

Notice is hereby given that 46th Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Friday, the 30th September, 2011 at 1600 hours in Ashok Hotel, New Delhi 110021 to transact the following business:-

Ordinary Business

(1) To receive, consider, and adopt the audited Balance Sheet as at 31st March, 2011 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: 02.09.2011

(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 September, 2011 to 30th day of September, 2011 (both days inclusive).

4. Members having any questions on accounts or any other item set out in the Agenda are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect the relevant information and to keep the information ready at the meeting.

To

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

(ii) M/s 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 46th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2011.

Your Company has achieved a total turnover of ₹ 392.36 crore as against ₹ 299.75 crore in the previous year indicating an overall increase by 30.90%. The increase in overall turnover has been achieved in all the commercial divisions except AIH&TM. The Company has recorded a Net loss (before tax) of ₹ 11.73 crore during the year as against Net loss (before Tax) of ₹ 20.51 crore in previous year. The decrease in overall loss is mainly due to increased turnover by ₹ 92.61 crore. However, the corresponding increase in expenditure has also been recorded including expenditure of ₹ 35.77 crore on renovation of the hotel properties and charged to revenue and amount of ₹ 9.70 crore (net) on account of amount recoverable from transferee companies for hotel units disinvested, written off and increase in doubtful debts and advances provided for by ₹ 4.23 crore. The increase in other expenditure is commensurate with the increase in turnover.

Performance Highlights

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

(₹ in crore)

Particulars	2010-11	2009-10
Turnover	392.36	299.75
Operating Profit/(Loss)	(5.96)	(8.54)
Less: Interest	0.00	0.00
Less: Depreciation	5.60	4.12
Add/(Less) Prior period adjustments & extra ordinary items	(-)0.17	(-)7.86
(Loss)/Profit before Tax	(11.73)	(20.51)
Add/(less): Deferred Tax	3.12	13.09
Less: Provision for Income Tax	0.00	7.20
Less:- Provision for Wealth Tax	0.01	0.01
Less:- Provision for Fringe Benefit Tax	0.00	0.00
Add/(Less): Provision for Income Tax for earlier years written back	0.03	0.32
(Loss)/Profit after Tax	(8.59)	(14.31)
Add Currency Translation Reserve written back	0.00	0.00
Amount available for appropriation	(8.59)	(14.31)
Proposed Dividend	0.00	0.00
Dividend Tax	0.00	0.00
Equity Capital	85.77	85.77
Capital Employed	242.09	231.14
Rate of Return on Capital :-		
Before Tax	(-) 13.68%	(-) 23.91%
After Tax	(-) 10.01%	(-) 16.68%
Rate of Return on Capital Employed:-		
Before Tax	(-) 4.85%	(-) 8.87%
After Tax	(-) 3.55%	(-) 6.19%

Operating Ratio

The Operating Ratio has marginally decreased by 1.33% in the current year with the overall Operating Ratio of 101.52% as against 102.85% in the previous year.

Division wise Financial Performance

The Division wise financial performance is summarized as under:-

Hotel Division has achieved turnover of ₹ 254.41 crore during the year as against ₹ 196.71 crore in the previous year indicating growth by 29.33% and incurred the net loss of ₹ 22.92 crore as against the net loss of ₹ 31.55 crore in the previous year, mainly due to increase in renovation expenditure on hotel properties.

The turnover of Ashok International Trade (AIT) Division has increased to ₹ 8.37 crore from ₹ 5.58 crore in the previous year. During the year 2010-11, there were 5 duty free shops in operation i.e. at Goa, Coimbatore including new shops at Haldia Port, Kolkata Port and Chennai Port which commenced commercial operations during the year 2010-11.

The AIT Division has incurred a net loss of ₹ 2.49 crore as compared to net loss of ₹ 2.34 crore in the previous year.

The turnover of Ashok Travels & Tours (ATT) Division has increased to ₹ 67.78 crore from ₹ 47.11 crore in the previous year registering an increase by 43.86%. The ATT Division has suffered a net loss of ₹ 1.07 crore as against the net loss of ₹ 2.12 crore in the previous year.

Also the turnover of Ashok Tourist Service Station (ATSS) has increased to ₹ 9.36 crore from ₹ 8.39 crore in the previous year registering an increase by 11.56%. The ATSS has suffered a net loss of ₹ 0.31 crore as against the net loss of ₹ 0.31 crore in the previous year.

The turnover of the Ashok Creatives Division (including SEL Red Fort merged during the year) has been recorded at ₹ 11.23 crore (previous year ₹ 3.74 crore) and has suffered a loss of ₹ 2.35 crore as against net loss of ₹ 2.20 crore. The turnover and Net Profit of SEL Red Fort unit was recorded at ₹ 0.66 crore and ₹ 0.28 crore.

The Engineering Division has achieved a turnover of ₹ 11.09 crore during the year 2010-11 (previous year ₹ 3.91 crore) with net loss of ₹ 1.52 crore as against net loss of ₹ 5.04 crore in the last financial year. The increase in turnover includes commission of ₹ 3.78 crore earned from the furnishing of DDA flats for Commonwealth Games 2010 and revenue from execution of deposit works.

The turnover of Ashok Reservation & Marketing Services (ARMS) (Events) Division has marginally increased to ₹ 7.22 crore (previous year ₹ 7.20 crore) with net profit of ₹ 0.72 crore as against ₹ 0.18 crore in the previous year.

The Ashok Institute of Hospitality and Tourism Management (AIH&TM) has achieved turnover of ₹ 2.62 crore as against ₹ 4.45 crore in the previous year with net loss of ₹ 0.64 crore (previous year net profit of ₹ 0.24 crore) mainly due to decrease in turnover.

The Sound & Light Shows have recorded a turnover of ₹ 0.66 crore (previous year ₹ 0.73 crore with net profit of ₹ 0.28 crore (previous year profit of ₹ 0.16 crore).

The Corporate Head Quarter, being the administrative office has earned an income of ₹ 20.29 crore (previous year ₹ 22.64 crore) 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 2010-11.

Capital Structure

There is no change in authorized and paid-up capital of the Corporation. The Authorized Capital of the Corporation is ₹ 150 crore and the paid-up share Capital of the Company is ₹ 85.77 crore as on 31st March, 2011.

Dividend

Since the Corporation has suffered the post tax loss of ₹ 8.59 crore during the year 2010-11, 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 2009-10 has been rated as 'Fair' in terms of the MoU signed with the Government of India.

Management Discussion and Analysis

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

Plan Schemes

i. The Revised Budget Estimates towards capital expenditure for 2010-11 was ₹ 50.44 crore which included ₹ 45.49 crore for renovation of Hotel properties and remaining fund for ATT Division and other activities of the Corporation. The capital expenditure during 2010-11 was ₹ 45.71 crore out of which ₹ 9.94 crore was capitalized and ₹ 35.77 crore was charged to Revenue. Besides this ₹ 21.89 crore relating to Hotel units including ₹ 19.98 crore for 'The Ashok' has also been spent during the year on incomplete work relating to renovation work of hotel properties.

ii. The Plan outlay for the year 2011-12 is ₹ 94.12 crore (including the renovation work at Hotel properties for ₹ 91.47 crore) and ATT and Miscellaneous schemes for ₹ 2.65 crore.

Implementation of Official Language Policy

During the year 2010-11, the Company continued its efforts to give impetus to the use of Hindi in official work through motivation and training. Cash incentives were granted to them on doing prescribed quantum of work in Hindi. Hindi workshops were organized to provide practical training of noting-drafting and other works in Hindi. Various Hindi competitions were also organized during Hindi Fortnight celebrations for giving impetus to the use of official language in day-to-day work.

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

All efforts are made to monitor energy costs on daily basis and compare, review with previous patterns and take steps to see that optimum use is made of energy and all natural resources. Further appropriate steps are taken to reduce the consumption through efficiency, Preventive Maintenance Program, introduction of latest technology, upgradation of system and equipment wherever necessary in a phased manner.

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 2010-11 has decreased to ₹ 14.12 crore as against ₹ 15.09 crore in the previous year 2009-10. The outgo of Foreign Exchange during the year was ₹ 6.58 crore as against ₹ 9.54 crore in 2009-10.

ii. During the year, 7 officials were sent on foreign tours at the cost of ₹ 7.11 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 March 2004 and the Hotel has been planned to be leased out. The Hotel project at Anandpur Sahib is incomplete. The Annual Accounts of all the subsidiary companies have been audited and finalized and the Consolidated Annual Accounts pursuant to Clause 32 of the Listing Agreement has been prepared and presented in this Annual Report.

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

The Ministry of Corporate Affairs vide its General Circular No. 2/2011 has granted exemption under Section 212(8) of the Companies Act, 1956 provided certain conditions are fulfilled. Accordingly the Board of Directors has consented for not attaching the Balance Sheets of the subsidiary companies with the Balance Sheet of ITDC. In terms of the said circular, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2011 is enclosed as **Annexure VI** of this report. In terms of aforesaid circular, it is affirmed that annual report of the subsidiary companies and the related detailed information shall be made available to shareholders of the ITDC and subsidiary companies as and when required. It is further affirmed that annual accounts of the subsidiary companies shall also be made available for inspection by any shareholders in the head office of the ITDC and of the subsidiary companies concerned. The shareholders, if they desire, may write to the company to obtain a copy of financial statements of the subsidiary companies.

Board of Directors

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

ii. During the year under review, Dr. Lalit K. Panwar, IAS (w.e.f. 22.4.2010) was appointed as C&MD. Shri Anand Kumar, Joint Secretary, Ministry of Tourism (w.e.f. 7.7.2010) was appointed as Govt. Nominee and Shri P. K. Agarwal (w.e.f. 29.7.2010) was appointed as Director (Finance) and Smt. Dipali Khanna (w.e.f.10.1.11), Additional Secretary & Financial Advisor, Ministry of Tourism, joined the Board of ITDC as Govt. Nominee pursuant to Article 61 of the Articles of Association of the Company.

iii. During the year under review, 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 Prof. (Dr.) Jyotindra Jain (w.e.f. 19.7.2010) as Non-official Director, Shri Rajiv Makin (w.e.f. 1.8.2010) as Director (C&M) and Shri E. K. Bharat Bhushan (w.e.f. 10.1.11) as Govt. Nominee Director ceased to be on the Board of Directors. 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

Smt. Dipali Khanna
Non-executive Director &
Part-time Government Director

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

Shri Pradeep Kumar Agarwal
Director (Finance)

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, Govt. of Kerala. His educational qualifications are M.Sc., M.Phil., and MBA. He does not hold directorship in any other company.

Corporate Governance

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

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

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

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

"As required by Para I A and II A of the Clause 49 of the Agreement, we were informed that the Corporation does not have any Independent Director after 19th July, 2010."

In its reply, it may be submitted that ITDC is a Central Public Sector Undertaking under the administrative control of the Ministry of Tourism (MoT), Govt. of India. The appointment of Directors have to be done by the Ministry of Tourism with the approval of Appointments Committee of the Cabinet (ACC). We have already written to our Administrative Ministry i.e. the Ministry of Tourism and the process of appointment of independent director has already been commenced.

Corporate Social Responsibility (CSR)

i. During the year under review, the objective of CSR Policy of the Corporation is employment generation. Keeping this objective in mind the Board mandated to impart vocational training to the students belonging to poor, including below poverty line, economically backward classes, SCs/STs to equip them to get some employment.

ii. In pursuance of the objective of the CSR policy and in terms of guidelines on “CSR for CPSEs” by Department of Public Enterprises (DPE), ₹ 22.50 lakh has been allocated towards budgeted MoU target for the year 2010-11. However, no direct expenditure could be incurred by the Corporation during the year under review.

iii. ITDC has also introduced ‘Ashok Fellowship’ scheme for training programme including Hunar-se-Rozgar, an initiative of the Ministry of Tourism, Govt. of India for physically challenged, separated/widows, SCs, STs, minorities etc. ITDC Hotels are acting as Test Laboratories for the Hunar-se-Rozgar Scheme.

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, 2011, the applicable accounting standards have been followed read along with proper explanation relating to departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the financial year ended 31st March, 2011 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 2010-11 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 2010-11 are given in **Annexures III, IV & V.**

Comments of the Comptroller and Auditor General of India

The Comptroller and Auditor General (CAG) of India conducted a supplementary audit of the financial statements of ITDC for the year ended 31st March, 2011 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 organization 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: 02.09.2011
Place: New Delhi

Annexure-I

Management Discussion and Analysis Report

Global and Indian Scenario

i. India is ranked 4th in terms of Travel and Tourism growth in the world and 1st in South East Asia. India is well recognized for its natural resources, cultural resources with many World Heritage sites, rich fauna, many fairs and exhibitions and strong creative industries. India has also good air transport.

ii. Travel & Tourism is an important sector of the economy and has outperformed other sectors in GDP Growth. It is also the significant contributor to the employment generation and the Foreign Exchange Earnings. In the year 2010, the Tourism sector witnessed substantial growth as compared to 2009. The Foreign Tourist Arrivals (FTA) in India during 2010 were 5.58 million as compared to the FTAs of 5.17 million during 2009, showing a growth of 8.1%.

iii. ITDC, on its role as a commercial organization is to construct and manage hotels, run Duty Free Shops, provide travel and tour services and produce tourist publicity material on behalf of the Ministry of Tourism and State Governments. Further, as a promotional wing of the Ministry of Tourism, it also plays a catalytic and pioneering role in the development of tourism infrastructure in the country.

Segment-wise Performance

Hotel Division (Delhi Hotels)

i. Hotel Division of ITDC is major business segment. It accounts for 65% of the turnover of ITDC. In Delhi, ITDC has three hotels namely 'The Ashok', Samrat and Janpath and 3 Catering Establishments at Vigyan Bhawan, Hyderabad House and the Western Court.

ii. The focus of the year 2010-11 for Delhi based Hotels was successful hosting of Commonwealth Games in October 2010. All the three Delhi based hotels were designated as the 'Games Family Hotels' for the Games. Accolades were received from the VVIP delegates from 71 nations who stayed in the hotels. In addition to the delegates of Commonwealth Games and International media, those who stayed at The Ashok included HRH Prince Edwards, HRH Prince of Jordon and HRH prince of Bhutan. The services were appreciated by one and all. The commitment was met with grand success.

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

- Ashok renovated part of its inventory to match the new developments in the city by redoing its lobby, convention area, public lounges and 186 rooms.
- In Ashok, 8 new rooms in a dedicated wing cater to the physically challenged guests, fully compliant with the norms across the world.
- Samrat refurbished its rooms. It launched new 'Pan Asian' fine dining restaurant 'SHIRO'.
- Janpath renovated its lobby, reception, lounge and main entrance gates. It upgraded its Banquet Hall and Tea lounge lawn for medium size functions and also upgraded Business Centre operations.
- Cuisine has been a forte, and value addition has been done in terms of coffee-table menu-books in 8 languages being introduced, as well as separate menus for guests and the host in the speciality restaurants.
- Advance security equipment, electronic locks, electronic safes, Plasma/LCD TVs and New Property Management System - Protel were introduced.
- Landscaping has been emphasised and efforts are on to bring in newer technology by way of energy saving devices, environment-friendly practices.

iv. The renovation of The Ashok has been completed except 4th Floor which will be completed in the current year. No major renovation is planned in Samrat and Janpath Hotels during the current financial year.

v. Plans are underway for having a marketing tie up with an international player having Global brand identity, creation of new facilities by utilizing unutilized space.

vi. Major threats, risks and concerns are the augmentation of anticipated 5000 rooms in Delhi NCR within the next 3-4 years, imminent price 'pandemonium' by Competitors, especially new entrants. Besides having public sector image, there are constraints working with the stringent and rigid policies/procedures and ageing and superannuating workforce.

Hotel Division (Hotels outside Delhi)

i. ITDC has five Ashok Group of Hotels outside Delhi located at Mysore, Patna, Jammu, Bhubaneswar and Jaipur, two MoT properties at Bharatpur and Kosi and one Restaurant at Agra. Besides, ITDC has five joint venture properties running at Ranchi, Bhopal, Puducherry, Guwahati and Itanagar. One joint venture property at Puri is closed since March 2004 and has been planned to be leased out.

ii. During the year 2010-11, major renovation was done in Hotel Patliputra Ashok. Major renovation of toilets have been planned in Hotel Ranchi Ashok. Other plans are renovation of 17 rooms in Hotel Kalinga Ashok at Bhubaneswar, renovation of lift and toilets in Hotel Patliputra Ashok and renovation of Hotel Jaipur Ashok including renovation of swimming pool, installation of new lift and heating system at Hotel Lalitha Mahal Palace.

iii. High wage bill due to implementation of 6th Pay Commission's recommendation has affected the profitability of these units. Major concern is the expiry of the lease agreement of four properties i.e. Jammu (year 2010), Bhopal (year 2012), Guwahati (year 2016) and Mysore (year 2023).

Ashok Creatives Division

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

ii. Advertising assignments were taken up for various Govt. agencies such as Ministry of Tourism, Ministry of Culture, Central Pollution Control Board etc. Among the new projects, a 10-minute information CD on West Bengal Tourism in Hindi and Bengali language was produced.

iii. On the design and print production front, the division designed and produced several jobs for various Govt. departments such as Ministry of Tourism, Election Commission of India, Nagaland University, CWG 2010 Delhi etc. and for various conferences of Ashok Events Division such as Cabinet Secretariat Workshop, Nirmal Gram Purskar Function, NAREGA, Civil Aviation, ASI etc.

iv. The Ashok Creatives has taken up the assignments of mounting SEL Show at various places for the Ministry of Tourism/ various State Tourism Departments. During the year, the SEL Show at Purana Quila with State-of-the-Art Technology was commissioned and brought laurels to ITDC. The show is under commercial operation since January 2011. Progress has been made in other projects at Sarnath (UP), Deoghar (Jharkhand), Hampi (Karnataka), Ludhiana (Punjab) and Kanyakumari (Tamil Nadu).

v. The work for upgradation/modernisation of the SEL at Red Fort, Delhi is also in progress. The constraint is that manpower is not adequate and also not exposed to the latest developments in their respective fields through workshops, seminars etc. held in India and abroad.

Ashok International Trade Division

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

ii. ITDC is consolidating its duty free business at seaports. Presently, there are three duty free shops at Kolkata, Haldia and Chennai Seaports which has been working well. The shop at Chennai Seaport has achieved a turnover of ₹ 1.28 crore in just 10 months. The operation of shops at Haldia and Kolkata seaport are at nascent stage. New shops are to be opened at Mangalore and Goa Seaports during 2011-12 and plans are underway to open the shops at Mumbai and Cochin Seaports also.

iii. The duty free shop at Goa Airport is in loss due to higher rental and employee cost. The duty free shop at Coimbatore has done a turnover of ₹ 1.23 crore with a bit of loss despite downfall in traffic due to diversion of traffic to new Airports i.e. Madurai and Trichy.

iv. Major threat is the shrinking entity and the reduced size due to which AIT division is not able to get economy of scale and besides it is also 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.

Ashok Travels and Tours Division

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

ii. During the year 2010-11, Ashok Travels & Tours has shown a phenomenal growth and has achieved all time high turnover of ₹ 70 crore, a jump of 68% over the turnover of year 2009-10 which was ₹ 48 crore. During 2011-12, the Division has poised to achieve the turnover of ₹ 100 crore and in order to achieve this, following initiatives has been taken :

1. Increasing the volume both in Air ticketing and Package tours;
2. Developing the online portal for the cash business;
3. Going big way to develop LTC packages for all regions and promote them aggressively;
4. Appointing GSA to reach to niche market across the country;
5. Expanding the activities of the existing offices particularly converting Mumbai and Hyderabad offices into full fledged IATA offices;
6. Inducing fresh and young professional manpower on contractual basis for the very expansion and customer satisfaction.

Ashok Institute of Hospitality & Tourism Management

i. The Ashok Institute of Hospitality & Tourism Management (AIH&TM), an ISO 9001:2000 Certified Institute run by ITDC in New Delhi came into existence in 1971 for in-house training of staff and executives of ITDC hotels. The Institute became a strategic business unit in 2002 and started taking up training assignments for outside agencies in the Hospitality industry.

ii. The current activities of AIH&TM are :

- 4-year bachelor's degree course in International Hospitality Business Management (BIHBM) in association with Kurukshetra University since July 2004;
- 3-year BBA (IHM) in association with Guru Gobind Singh Indraprastha University (GGSIPU);
- One year training in Air Hostess, Travel & Hospitality Management at Bengaluru;
- 6 & 8 weeks Skill Development training for youths under the Hunar-se-Rozgar Tak scheme of the Ministry of Tourism;

- For Government of India's 'Capacity Building for Service Providers' (CBSP) Programme, the Ministry of Tourism, Government of India is the implementing agency on all India basis. Under CBSP programme implementation, 'Tourism Awareness' training has been conducted for immigration officers, Taxi Drivers at IGI Airport. In addition, CBSP training has also been conducted for Uttarakhand Tourism, Nagaland Tourism, Himachal Pradesh and J&K Tourism.

- Imparting on-the-job training to industrial/summer trainees from various professional Hospitality Institutes in the country;

- Designing & conducting customized Hospitality related Training Programmes for prestigious Institutions like State Tourism, Indian Railways, Foreign Service Institute, etc.

- MoU with National Institute of Open Schooling offering diploma of one year duration in Hotel trade.

- Complete furbishing and upgradation of Institute's infrastructure has been done recently.

iii. Major constraints are lack of adequate infrastructure, limited ITDC Faculty Strength, Competition from private and Government Institutes and absence of regularization of the land in favour of ITDC by L&DO, Government of India.

Ashok Consultancy & Engineering Division

i. 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.

ii. 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 is involved in a 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. The Division has also been entrusted with the task of illumination works of prestigious monuments in Delhi for Night Tourism during the CWG 2010.

iii. The Engineering Division is also executing tourist infrastructure projects funded by the Ministry of Tourism/ various State Governments in the states of Rajasthan, Mizoram, Puducherry and Andaman & Nicobar.

iv. Major constraints are strict and lengthy procedure for awarding and execution of projects and the cost of manpower as large number of people need to be deputed for individual projects scattered all over the country.

Ashok Events Division

i. The Ashok Events Division manages events, conferences and exhibitions both within the country and abroad and has established itself as a leader in the field of Event Management.

ii. The Ashok Events Division has handled more than 75 events during the year 2010-11 including Civil Service Day, CCRAS Conference, National Urban Sanitation Policy Conference, Climate Change Conference, Public Private Partnership in State Highways, Round Table on Higher Education for discussion on draft legislation on innovation Universities, PATA Travel Mart-2010, Ministerial Dialogue on Presentation of Best Practices "Climate Change : Technlogy Mechanism", 6th World & 1st Indian Organ Donation Day, 10th Indira Gandhi Conference, an Indian Social Democracy: Integrating Markets, Democracy & Social Justice, Centenary Year Celebration of Civil Aviation, India Evening at ITB Berlin, 2011, Award function of Ministry of Social Justice & Empowerment, NREGA Conference etc. The Division also designated and fabricated various exhibitions like PETROTECH, ASI etc.

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

ITDC – SWOT Analysis

Strength

- Well Established Brand for 45 years
- Properties at Prime Locations
- Complementary businesses providing entire range of tourism experience in one bouquet
- Large accommodation, F&B and Convention facilities
- Versatile & Experienced Human Resources
- Patronage of Ministry of Tourism and other Govt. Agencies.

Weakness

- PSU Stigma
- Ageing infrastructure
- Ageing manpower
- Lack of international exposure
- No overseas representation/marketing
- Sub optimal use of IT Application.

Opportunities

- Harnessing untapped potential of properties

- Product upgradation and diversification
- Event Management
- Hospitality Education Sector
- Tourism Project Development and Consultancy through PPP route.

Threats

- Rising wage bill/establishment cost
- Bureaucratic ways of functioning
- Ageing staff with high costs
- Growing environmental concerns
- Cut throat competition
- Cyber battle of travel trade
- Wage & Productivity imbalance

Outlook

i. According to various estimates, the total demand for branded hotels in India as on date is about 2,00,000 rooms whereas the supply is only about 1,20,000 rooms. Therefore, there is a huge gap to be filled. Further, Corporates are likely to increase spends on corporate travel. With expectation of healthy salary increase within its corporate world, discretionary spending is expected to increase further, especially on leisure travel. Demand levels are also likely to improve in the coming year as the economic growth is around 8%. Thus strong economic growth, improving business travel, increased tourism numbers are all positives for India in way ahead.

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.

iii. The CWG 2010 was the grand success. With upgraded/renovated Ashok, we hope that ITDC will achieve significant growth in the coming years.

Risk and Concerns

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

ii. Many foreign hotel companies entered the Indian market, and Delhi/NCR is projected to augment 5000 rooms by 2015. Some projects are already operational, while several more are in the pipeline/take off stage. The competition is severe, room rates are plummeting, and technology is evolving rapidly. To add to this, the traditional Indian concept of hospitality is being challenged by highly professional global players. While the luxury segment retains its place, the budget-corporate traveller is the king of the market. The war between brands is not so much in the price factor as in the add-on facilities and services being offered, customised packages and end to end travel solutions.

iii. The increased wage cost in ITDC hotels has affected the profitability of the Corporation. 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. These contractual staff may not be of the 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. Internal Auditors have been selected from the list of firms having experience of conducting audit of three star/five star hotels. Further no major internal control weakness has been reported by the Branch/ Statutory Auditors.

ii. In order to strengthen internal control system and internal checks in the organization, an internal audit cell has been established which conducts internal checks at operational level. Actions are taken against discrepancies/deviations, if any.

iii. 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 2244 as on 31.3.2010 (excluding 85 employees on Direct Contract) and 2178 as on 31.03.2011 (including 30 Direct Contract Employees regularized in Ashok Hotel). Out of 2178 employees, 644 employees belong to Scheduled Castes (SCs), 52 belong to Scheduled Tribes (STs) and 101 to Other Backward Classes (OBCs). 82 employees were recruited during the financial year 2010-11, out of which 19 employees belong to Scheduled Castes (SCs), 03 belong to Scheduled Tribes (STs) and 09 to Other Backward Classes. However, 270 employees were promoted, out of which 45 employees belong to Scheduled Castes (SCs), 02 employees belong to Scheduled Tribes (STs) and 03 belong to other Backward Classes (OBCs). Further there are 300 women employees working in ITDC as on 31.03.2011 constituting 13.77% of the total workforce of the Corporation. Of these 80 are at Executive level and 220 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 2010-11

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 2010-11, the Board had following composition :-

(A) Executive Directors

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

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

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

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

(B) Non-Executive Directors

(a) Part-time Government Directors

Shri Anand Kumar w.e.f. 7.7.2010

Smt. Dipali Khanna w.e.f. 10.1.2011

Shri E. K. Bharat Bhushan, ceased w.e.f. 10.1.2011

(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

Smt. Dipali Khanna w.e.f. 10.1.2011

Shri Anand Kumar w.e.f. 7.7.2010

The matter of appointment of Independent Directors is under consideration of the Administrative Ministry i.e. the Ministry of Tourism.

2 (a) Board Procedure

Nine meetings of the Board of Directors were held during the year 2010-11 (i.e. 11th May, 2010, 16th June, 2010, 12th July, 2010, 4th August, 2010, 21st September, 2010, 9th November, 2010, 7th December, 2010, 10th February, 2011 & 22nd March, 2011) and the attendance of Directors thereat was as follows:-

Name of the Director	No. of Board Meetings held during the tenure of a Director	No. of Board Meetings attended	AGM (last) attended (Yes/No)
Dr. Lalit K. Panwar C&MD*	09	09	Yes
Shri E.K. Bharat Bhushan JS&FA**	07	07	No
Shri Anand Kumar JS(T)@	07	06	Yes
Smt. Dipali Khanna JS&FA@@	02	02	N.A.
Prof. (Dr.) Jyotindra Jain#	03	02	N.A.
Shri Zubin Karkaria#	03	Nil	N.A.
Shri Pradeep Kumar Agarwal Director(Fin)$	06	06	Yes
Shri Rajiv Makin Director (C&M)$$	03	03	N.A.

** Joined as C&MD w.e.f. 21.4.2010*
*** Ceased as Director w.e.f. 10.1.2011*
@ Appointed as Director w.e.f. 7.7.2010
@@ Appointed as Director w.e.f. 10.1.2011
 # Ceased as Director w.e.f. 19.7.2010
$ Joined as Director(Finance) w.e.f. 29.7.2010
$$ Ceased as Director(C&M) w.e.f. 1.8.2010

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 2010-11 was as under:-

Name of the Director	No. of other Directorships	Board Committees of other companies in which he is a Member/Chairman
Dr Lalit K. Panwar C&MD*	07	Nil
Shri Sanjay Kothari C&MD**	07	Nil
Shri E.K. Bharat Bhushan JS&FA@	07	03
Smt. Dipali Khanna JS&FA@@	01	Nil
Shri Anand Kumar, JS(T)#	Nil	Nil
Prof. (Dr.) Jyotindra Jain%	Nil	Nil
Shri Zubin Karkaria%	Nil	Nil
Shri Pradeep Kumar Agarwal Director(Fin)!	07	Nil
Shri Rajiv Makin Director (C&M)!!	07	Nil

** Joined as Chairman & Managing Director w.e.f. 21.4.2010*
*** Ceased as Chairman & Managing Director w.e.f. 21.4.2010*
@ Ceased to be Director w.e.f. 10.1.2011
@@ Appointed as Director w.e.f. 10.1.2011
 # Appointed as Director w.e.f. 7.7.2010
% Ceased as Director w.e.f. 19.7.2010
! Appointed as Director (Finance) w.e.f. 29.7.2010
!! Ceased as Director (Commercial & Marketing) w.e.f. 1.8.2010

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, 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 forms part of the Directors' Report.

2(f) CEO/CFO Certification

CEO/CFO certification pursuant to Clause 49(v) of the Listing Agreement is enclosed at the end of this section.

(3) Audit Committee

Composition: With the completion of tenure of Independent Directors in April and July 2010 respectively, the Audit Committee was headed by the part-time Government Director during 2010-11. The composition of Audit Committee was as under:-

Name of the Director	Status	Remarks
Shri E.K. Bharat Bhushan Director	Chairman	Non-Independent & Non-Executive
Smt. Dipali Khanna Director**	Chairperson	Non-Independent & Non-Executive
Prof. (Dr.) Jyotindra Jain, Director@	Member	Independent & Non-Executive
Shri Rajiv Makin, Director (C&M)@@	Member	Non-Independent & Executive
Shri Anand Kumar, Director#	Member	Non-Independent & Non-Executive
Shri Pradeep Kumar Agarwal Director (Finance)##	Member	Non-Independent & Executive

* Ceased as Director w.e.f. 10.1.2011
** Appointed as Director w.e.f. 10.1.2011
@ Ceased as Director w.e.f. 19.7.2010
@@ Ceased as Director w.e.f. 1.8.2010
# Appointed as Director w.e.f. 7.7.2010
Appointed as Director w.e.f. 29.7.2010

With the completion of tenure of Independent Directors in April and July 2010 respectively, the Audit Committee, presently, is headed by Smt. Dipali Khanna, 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:-

(1) Overview of the Corporation's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

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

(3) Recommend the fixation of audit fee of the statutory auditors and branch auditors of the Corporation to be appointed by the Comptroller and Auditor General of India.

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

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

(6) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.

(7) Discussion with statutory auditors before the audit commences about nature, scope of audit and time schedule as well as post audit discussions to ascertain any area of concern.

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

(a) Any change in accounting policies and practices.

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

(c) Qualifications in draft audit report of statutory auditors.

(d) Significant adjustments arising out of audit.

(e) The going concern assumptions.

(f) Compliance with accounting standards.

(g) Compliance with stock 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.

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

(10) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.

Meetings: During the year, five meetings of the Audit Committee were held on 11.5.2010, 4.8.2010, 9.11.2010, 7.12.2010 and 10.2.2011. The attendance of the members in the meetings was as under:-

Name of the Member	No. of Audit Committee Meetings held during tenure	No. of Audit Committee Meetings attended during tenure
Shri E.K. Bharat Bhushan Chairman	04	04
Smt. Dipali Khanna Chairperson	01	01
Prof. (Dr.) Jyotindra Jain	01	01
Shri Rajiv Makin	01	01
Shri Anand Kumar	04	03
Shri Pradeep Kumar Agarwal	04	04

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. 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. With the ceasing of Shri Ashok Pahwa, Shri P.P. Singh and Shri E.K. Bharat Bhushan from the Directorship of the Company, the committee will be reconstituted after the induction of the new non-official directors.

iii. 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.

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 2010-11 were as under:-

Payment made to key management personnels and their relatives:

Remuneration	:	₹ 54.92 lakh
Sitting Fees	:	₹ 0.03 lakh
Total	:	₹ 54.95 lakh

(5) Share Transfer Committee

i. The Committee on Transfer of Shares was constituted to look after the work relating to transfer / transmission of shares. The Committee considers and approves the share transfers / transmissions of shares. Since the Board of Directors in their meeting held on 07.12.2010 has empowered M/s Karvy Computershare (Pvt.) Ltd., the Registrar and Transfer Agent (RTA) to process, approve and dispatch the share transfer / transmission request, the desirability of the Committee is no longer required. During the year 2010-11, the composition of the Committee was as under:-

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

Shri Sanjay Kothari, C&MD ceased w.e.f. 21.4.2010

Shri E.K. Bharat Bhushan, Director ceased w.e.f. 10.01.2011

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

Shri Pradeep Kumar Agarwal, Director (Finance) w.e.f 10.8.2010

ii. *Meetings*: During the year, nine meetings of Share Transfer Committee were held i.e. on 12.4.2010, 29.4.2010, 13.5.2010, 16.6.2010, 25.6.2010, 16.7.2010, 10.8.2010, 8.9.2010 and 1.11.2010 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
Dr. Lalit K. Panwar, C&MD	08	08
Shri Sanjay Kothari, C&MD	01	01
Shri E.K. Bharat Bhushan, Director	09	04
Shri Rajiv Makin, Director (C&M)	06	06

(6) Redressal of Shareholders / Investors Grievances Committee

The Committee on Redressal of Shareholders/Investors Grievances was constituted to look into redressal of shareholders' and Investors' complaint like delay in transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend etc. During the year 2010-11, the composition of the Committee was as under :-

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

Shri Sanjay Kothari, C&MD - ceased w.e.f. 21.4.2010

Shri E. K. Bharat Bhushan, Director ceased w.e.f. 10.01.2011

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

Shri Pradeep Kumar Agarwal, Director (Finance) w.e.f 10.8.2010

Presently, the Committee consists of Smt. Dipali Khanna, Chairperson, Dr. Lalit K. Panwar, Member and Shri Pradeep Kumar Agarwal, Member.

Meetings: During the year, nine meetings of Redressal of Shareholders/ Investors Grievances Committee were held i.e. on 12.4.2010, 29.4.2010, 13.5.2010, 16.6.2010, 25.6.2010, 16.7.2010, 10.8.2010, 8.9.2010 and 1.11.2010 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
Dr. Lalit K. Panwar, C&MD	08	08
Shri Sanjay Kothari, C&MD	01	01
Shri E.K. Bharat Bhushan, Director	09	04
Shri Rajiv Makin, Director (C&M)	06	06

(7) General Body Meetings

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

Financial Year ended	Day & Date	Time	Venue
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
31.3.2010	30.12.2010 (Thursday)	1500 hrs	Ashok Hotel New Delhi-110021

Note: All the resolutions as set out in the respective AGM Notices were duly passed by the Members. No resolution was passed by Postal Ballot during the year under review.

(8) Disclosures

The status is 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. Further, Public sectors Companies have a Vigilance Department, an independent Govt. Agency. Chief Vigilance Officer, the Head of the Vigilance Division, is under the direct control of the Central Vigilance Commission (CVC). Moreover, the RTI Act, 2005 along with the strong Audit Committee, provide strong whistle blowing against corruption/malpractices.

(iv) The Corporation has complied with all the mandatory requirements of Clause 49 except for provision relating to Independent Directors as stated here-in-above.

(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 by the Board, have been specified in the DOP of C&MD and the Functional Directors. Similarly, the powers of the Heads of Divisions of different divisions/ units and the powers for functional staff, wherever required, have been specified in the DOP.

(9) Risk Management

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

(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 11.5.2010, 4.8.2010 and 10.2.2011.

(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 2010-11)	Statesman, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	6.8.2010 6.8.2010
(ii)	Quarterly unaudited financial results (2nd Quarter)	Statesman, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	13.11.2010 13.11.2010
(iii)	Quarterly unaudited financial results (3rd Quarter)	Statesman, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	13.2.2011 13.2.2011
(iv)	Quarterly unaudited financial results (4th Quarter)	Statesman, Delhi Edition Jansatta, Delhi Edition (Hindi Version)	15.5.2011 15.5.2011
(v)	Annual Report and Annual Accounts for 2009-10	By UPC	7.12.2010
(vi)	Forwarded to Stock Exchanges	Unaudited results 1st Quarter Unaudited results 2nd Quarter Unaudited results 3rd Quarter Unaudited results 4th Quarter Audited Accounts (2009-10)	4.8.2010 9.11.2010 10.2.2011 13.5.2011 14.12.2010

(13) General Shareholder Information

(i) *AGM*: 30th September, 2011.

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

(iii) *Book Closure:* 29th September to 30th September, 2011 (both days inclusive)

(iv) *Listing of Shares:* The Corporation's shares are listed on the Stock Exchanges at Delhi & Mumbai. The Corporation has paid annual listing fees for the financial year 2010-11 to these stock exchanges. Their addresses are as under:-

Name of Stock Exchange	Stock Code
The Stock Exchange Mumbai (BSE) Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001	532189
The Delhi Stock Exchange Association Ltd. (DSE) DSE House 3/1, Asaf Ali Road New Delhi - 110002	8009

The Delhi Stock Exchange is the Regional Stock Exchange for the Corporation. The Registration Number of the Corporation with the Registrar of Companies, NCT of Delhi and Haryana is 55-4363. With the introduction of e-filing by the Ministry of Corporate Affairs, the Corporate Identification Number allotted to the Corporation is L 74899 DL 1965 GOI 004363.

(v) *Market Price data*: High and Low of ITDC market share price on Bombay Stock Exchange, no. of shares traded, turnover in 2010-11 are summarized as under:-

Month	Rupees High	Rupees Low	Number of Shares Traded	Total Turnover (₹)
No share traded in the Stock Exchange during the FY 2010-11				

(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 31.3.2011, 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	81	18,625	0.022
Total	83	8,57,69,400	100.00

The distribution of shareholding as on 31st March, 2011, was as under: -

Nominal Value	No. of Share-holders	% of Total Shareholders	No. of Shares held	% of Total Shares held
Up to 5,000	78	93.976	11625	0.014
5001 - 10,000	-	-	-	-
10,001 - 1,00,000	3	3.614	7000	0.008
1,00,001 & above	2	2.410	85750775	99.978
Total	83	100.00	85769400	100.00

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

(x) *Dematerialization of Shares:* The Corporation's shares are admitted for dematerialization with NSDL and CDSL. As on 31st March, 2011, 85758175 numbers of shares constituting 99.99% are in dematerialized form. The entire promoter's holding are in dematerialized form. The ISIN Number is: INE353K01014.

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

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 15th July, 2011
2nd Quarterly Results	: on or before 15th November, 2011
3rd Quarterly Results	: on or before 15th February, 2012
4th Quarterly Results	: on or before 15th May, 2012
AGM for the year ending 31st March, 2011	: Before 30th September, 2011

(xv) There was no complaint of the Shareholders/Investors forwarded to the Corporation by SEBI, Stock Exchanges & Ministry of Corporate Affairs during 2010-11. 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 2010-11, are as under:-

Particulars	Received and outstanding at the beginning of the year	Redressed	Pending with Investors for completing procedural formalities
Non-receipt of Dividend	3	3	Nil
Transfer of Shares	3	3	Nil
Issue of Duplicate Shares	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) Corporate Social Responsibility (CSR)

During the year under review, the objective of CSR Policy of the Corporation is employment generation. Keeping this objective in mind, the Board mandated to impart 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 pursuance of the objective of the CSR policy and in terms of guidelines on "CSR for CPSEs" by Department of Public Enterprises (DPE), ₹ 22.50 lakh has been allocated towards budgeted MoU target for the year 2010-11. However, no direct expenditure could be incurred by the Corporation during the year under review.

ITDC has also introduced 'Ashok Fellowship' Scheme for training programme including Hunar-se-Rozgar, an initiative of the Ministry of Tourism, Govt. of India for physically challenged, separated/widows, SCs, STs, Minorities etc. ITDC Hotels are acting as Test Laboratories for the Hunar-se-Rozgar Scheme.

(15) 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.
- ITDC has formulated a training policy for Board Members. As per the policy, ITDC offers training programmes organized by SCOPE and DPE to the Board Members. Further, on induction of non-official Directors, ITDC may also arrange training on the role and responsibilities of Directors from the professional institutes like ICAI, ICSI, ICWAI, IIM etc.
- In Government Companies, the Independent Directors are appointed by the President of India through the Administrative Ministry i.e. the Ministry of Tourism as approved by the Appointments Committee of the Cabinet (ACC) and recommended by the Public Enterprise Selection Board (PESB).
- All the Directors of ITDC do not hold more than 7 directorships 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 from time to time, Meeting of the Non-executive members of the Board with Heads of Divisions 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 according to guidelines issued by Department of Public Enterprises.
- Audit of Internal control system /Internal audit is done by the internal auditors. The material findings of internal audit are placed before the Audit Committee quarterly for critical review and recommendations, if any. In addition, the compliance report relating to various enactments / rules is submitted to the Board quarterly for review.
- As per the provisions of the Companies Act, the statutory auditors of Government Companies are appointed by the C&AG. The remuneration, if any, is put up to the Audit Committee and the Board for approval.

- Certificate of Independence is received from the Statutory Auditors by the C&AG at the time of their appointment.
- Public Sectors Companies have a Vigilance Department, an independent Govt. Agency. Chief Vigilance Officer, the Head of the Vigilance Division, is under the direct control of the Central Vigilance Commission (CVC). Moreover, 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, 2011.

For India Tourism Development Corporation Ltd.

(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, 2011 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 statement 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: 2.9.2011

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, 2011, 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, 2011 and furnished to us for the purpose of the review and the information and explanations given to us by the Corporation during the course of such review.

3. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.

4. In our opinion and to the best of our information and according to the explanation given to us, we certify that the Corporation has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, subject to the following:-

   As required by Para I A and II A of the Clause 49 of the Agreement, we were informed that the Corporation does not have any Independent Director after 19th July, 2010.

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 : 31st August, 2011

Appendix

The Network of ITDC Services
(as on date)

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. RESTAURANT

1. Taj Restaurant, Agra

C. TRAVEL/TRANSPORT UNITS

1. Varanasi
2. Bengaluru
3. Chennai
4. Aurangabad
5. Patna
6. Delhi
7. Kolkata
8. Mumbai
9. Hyderabad
10. Guwahati
11. Ranchi

Ashok Tourist Service Station

Chanakyapuri, New Delhi

D. DUTY FREE SHOPS

1.	Goa Airport Arrival Lounge	1
2.	Goa Airport Departure Lounge	1
3.	Coimbatore Airport Arrival Lounge	1
4.	Chennai Seaport	1
5.	Kolkata Seaport	1
6.	Haldia Seaport	1
	Total	6

E. SOUND & LIGHT SHOWS

1. Red Fort, Delhi
2. Purana Quila, Delhi

F. JOINT VENTURE HOTELS

1. Hotel Brahmaputra Ashok, Guwahati
2. Hotel Ranchi Ashok, Ranchi
3. Hotel Nilachal Ashok, Puri (closed since March 2004)
4. Hotel Pondicherry Ashok, Puducherry
5. Hotel Lake View Ashok, Bhopal
6. Hotel Donyi Polo Ashok, Itanagar

G. MANAGED UNITS

1. Hotel Bharatpur Ashok, Bharatpur
2. Kosi Restaurant, Kosi

H. CATERING ESTABLISHMENTS

1. State Guest House & Hospitality Centre at Hyderabad House, New Delhi
2. Western Court Catering Service, New Delhi
3. Ashok Mayur Restaurant at Vigyan 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, 2011

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 Liabilties 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 Nos. 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 trend and are making payment towards management fee and repayment of loans. As the repayment of loans/ interest due thereon and management fees is not commensurate with the amount charged to them every year, the Corporation has decided to postpone the accounting for such income from these companies (viz management fees and interest on loan given) to actual realisation from 2008-09 onwards, which is in accordnace 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. 3(b) of Notes to Accounts in Schedule 12.
6	4(v)	Refer Note Nos. 6 (c) and 7(b) of Notes to Accounts in Schedule 12.
7	4(vi)	Refer Note Nos. 4(g) and 4(h) of Notes to Accounts in Schedule 12.
8	4(vii)	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,

Sl. No.	Para No.	Management Reply
		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	4(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	4(ix)	Refer Note No. 7(s) of Notes to Accounts in Schedule 12.
11	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 reconciliation of amount recoverable from the Ministry of External Affairs refer Note 7(s) of Notes to Accounts in Schedule 12.
12	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 Samrat Hotel, 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 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. 9(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. 9(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, 2011

Sl. No.	Para No.	Management Reply
1	5(i)	The demands of ESI are being contested before the appropriate judicial/ appealate authorities and pending finality in the matters, the same have been shown as Contingent Liabilties 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. 4(b) of Notes to Accounts in Schedule 12.
5	5(iv)	Refer Note Nos. 6(b) and 7(b) of notes to Accounts in Schedule 12.
6	5(v)	Refer Note Nos. 5(g) and 5(h) of Notes to Accounts in Schedule 12.
7	5(vi)	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.
8	5(vii)	Though there are prescribed conditioins 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.
9	5(viii)	Refer Note No. 7(q) of 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, 2011

(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.	2010-11	71,60,000	(2,51,35,025)	2,36,27,286	4,11,09,733	-	2,49,95,401	(55,25,421)	-540	(55,24,881)	-
	2009-10	71,60,000	(1,96,10,144)	2,52,69,395	3,77,19,539	-	2,78,30,679	16,08,227	6,07,142	10,01,085	-
MP Ashok Hotel Corporation Ltd.	2010-11	1,60,00,000	(2,86,56,864)	5,39,69,889	6,66,26,754	-	5,76,07,064	99,75,205	67,45,236	32,29,969	-
	2009-10	1,60,00,000	(3,18,86,833)	5,06,18,624	6,65,05,457	-	4,83,33,743	85,18,097	13,57,394	71,60,703	-
Pondicherry Ashok Hotel Corporation Ltd.	2010-11	60,00,000	81,02,958	3,01,31,271	1,60,28,313	-	2,39,45,467	2,58,972	-3,33,608	5,92,580	-
	2009-10	60,00,000	75,10,378	3,12,92,909	1,77,82,531	-	2,36,90,578	21,75,936	12,62,479	9,13,457	-
Utkal Ashok Hotel Corporation Ltd.	2010-11	4,80,00,000	(18,95,83,045)	2,57,07,776	16,57,90,821	-	-	(70,60,605)	-	(70,60,605)	-
	2009-10	4,80,00,000	(18,25,22,440)	1,15,40,866	14,45,63,306	-	-	(1,59,57,142)	-	(1,59,57,142)	-
Punjab Ashok Hotel Company Ltd.	2010-11	2,50,00,000	(13,22,341)	2,72,47,171	35,69,512	-	-	(56,865)	-	(56,865)	-
	2009-10	2,50,00,000	(12,65,476)	2,70,90,472	33,55,948	-	-	(11,230)	-	(11,230)	-
Donyi Polo Ashok Hotel Corporation Ltd.	2010-11	99,75,000	95,77,673	2,84,60,666	89,07,993	-	2,03,88,984	25,66,457	6,98,975	18,67,482	-
	2009-10	99,75,000	77,10,191	2,49,26,545	72,41,354	-	2,30,07,283	21,26,013	14,01,128	7,24,885	-
Assam Ashok Hotel Corporation Ltd.	2010-11	1,00,00,000	(5,92,75,728)	4,75,44,572	9,68,20,300	-	5,92,32,734	(59,36,273)	-	(59,36,273)	-
	2009-10	1,00,00,000	(5,33,39,455)	4,14,37,252	8,47,76,707	-	3,78,30,910	(1,18,40,688)	-	(1,18,40,688)	-

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, 2011, 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 3 units/branches audited by us and 37 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 ₹ 488.01 lakh (Previous Year ₹ 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. 2(b)].

   ii) The Corporation is due ₹ 1,306.96 lakh as at 31.03.2011 (₹ 1,755.17 lakh up to 31.03.2010) 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 31.03.2011 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 28.02.2007 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) *Impairment in the value of assets/ partly completed assets aggregating to ₹ 212.32 lakh (Previous Year ₹ 209.69 lakh) included under capital work-in-progress has not been provided. [Refer Note No. 3(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(c) & 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 thereof, cannot be indicated at this stage. [Refer Note Nos. 4(g)/4(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(b)]*

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) *Pending Reconciliation, the difference, if any, is not accounted for, of Reimbursement of Indirect Expenses for the year 2005-06 to 2010-11 in terms of new agreement with the Ministry of External Affairs. [Refer Note No. 7(s)].*

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. 7(s) of Schedule 12 regarding reconciliation of amount recoverable from Ministry of External Affairs;*

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. 9 (v) of Schedule-12] - Accounting Standard-19-Leases.*

- *Except to the extent referred to in Note No. 9 (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(v), 4(vi), 4(vii), 4(viii) and 4(ix), which cannot be quantified at this stage.*

c) *The impact of our comments in Para 4(iv), which was subject matter of audit qualification 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)]	21,943.96	21,800.53	143.43
B	Capital Work-in-Progress [Refer Para 4(iv)]	2,189.57	1,977.25	212.32
C	Deferred Tax Asset (Net) [Tax Impact]	3,318.58	3,387.47	68.89

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, 2011,

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: 31.08.2011

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, 2011

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 and which need to be improved / strengthened. There has been continuing failure to correct major weaknesses in internal control systems, reported by the internal auditors in the previous year on similar lines, at these branches.*

5. (a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.

   (b) Not applicable in view of para (a) above.

6. The Corporation has not accepted any deposits from public in terms of Sections 58A and 58AA of the Companies Act, 1956 and the Rules made thereunder.

7. In our opinion, the Corporation has an internal audit system, which is generally commensurate with the size and nature of its business. *However, as reported by some of the branch auditors and in units audited by us, the coverage of internal audit needs to be enlarged to cover all areas of operation including timely submission and follow up of the reports.*

8. As informed to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956.

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

According to the information and explanations given to us and as reported by the branch auditors in their reports, the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as on 31.03.2011 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 and 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	8,628.88	1990 to 2007	Various Authorities
The Central Sales Tax Act, 1956	Central Sales Tax	12.84	1987 to 2002	Various Authorities
Andhra Pradesh VAT Act, 2005	Local Sales Tax	327.15	2005 to 2007	Hyderabad High Court
Karnataka Sales Tax Act, 2004	Local Sales Tax	420.71	2004-05	Karnataka High Court
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	458.27	1992-93, 1994-95, 1995-96 2008-09	Income Tax Appellate Tribunal Delhi High Court 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 Years	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		27.55		
Ashok Hotel		419.90		
Hotel Samrat		49.77		
IGIAR		11.04		
Taj Restaurant, Agra		7.25		
Employees' State Insurance Kalinga	ESI	1.45	Earlier Years	District Court, Khurda
Sales Tax, Taj Restaurant	Sales Tax	0.85	Earlier Years	Sales Tax Tribunal

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 also incurred cash losses in the immediately preceding financial year. *However, the effect of resolution and quantification of matters reported / of unquantified 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 not made any allotment of shares during the year under audit, hence this Clause is not applicable to the Corporation.

19. The Corporation has not issued any debentures, hence this Clause is not applicable to the Corporation.

20. The Corporation has not raised money by public issues during the year under audit, hence this Clause is not applicable to the Corporation.

21. During the course of our examination of the books and records of the Corporation, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Corporation, noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Place: New Delhi
Date: 31st August, 2011

Balance Sheet

and

Profit & Loss Account

(Standalone)

Balance Sheet as at 31st March, 2011

Particulars	Schedule	₹	₹	As at 31.3.2011 ₹	As at 31.3.2010 ₹
A. SOURCE OF FUNDS					
Shareholders' Funds					
Share Capital	1			85,76,94,000	85,76,94,000
Share Application Money				-	-
Reserves and Surplus	2			2,19,43,96,260	2,28,02,59,129
Deferred Government Grants				10,51,319	11,35,226
TOTAL				3,05,31,41,579	3,13,90,88,355
B. APPLICATION OF FUNDS					
Fixed Assets					
In Use:					
Gross Block	3A		1,38,55,45,409		1,27,22,27,440
Less: Depreciation			75,71,78,867		73,40,54,691
Net Block			62,83,66,542		53,81,72,749
Not in Active Use:					
Gross Block	3B		1,63,60,142		1,44,09,890
Less: Depreciation			1,43,49,691		1,30,42,534
Less: Provision for Diminution			9,32,003		8,20,605
Net Block			10,78,448		5,46,751
Capital Work-in-Progress	4		21,89,57,150		44,57,45,866
				84,84,02,140	98,44,65,366
Investments	5			8,13,77,215	8,13,81,380
Deferred Tax Asset (Net)				33,18,57,808	30,05,99,644
Current Assets, Loans and Advances	6				
Interest Accrued		8,15,59,339			6,55,89,077
Inventories		11,51,48,312			11,01,89,224
Sundry Debtors		94,56,47,800			74,55,18,191
Cash and Bank Balances		2,69,85,17,226			3,00,80,20,019
Loans and Advances		73,56,68,518			85,65,51,743
			4,57,65,41,195		4,78,58,68,254
Less: Current Liabilities and Provisions	7				
Current Liabilities		2,33,84,08,526			2,51,12,12,857
Provisions		44,66,28,253			50,20,13,432
			2,78,50,36,779		3,01,32,26,289
Net Current Assets				1,79,15,04,416	1,77,26,41,965
Significant Accounting Policies and Notes to Accounts	12				
TOTAL				3,05,31,41,579	3,13,90,88,355

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 : 31st August, 2011
Place : New Delhi

Profit & Loss Account for the Year Ended 31st March, 2011

Particulars	Schedule	₹	Year Ended 31.3.2011 ₹	Year Ended 31.3.2010 ₹
INCOME				
Sales, Income from Services Rendered and Other Income	8		3,92,35,74,743	2,99,74,86,748
EXPENDITURE				
Cost of Material & Services	9		54,06,73,306	39,29,97,124
Employees' Remuneration and Benefits	10		1,42,39,35,961	1,41,19,44,229
Operating and Other Expenses	11		2,02,78,49,097	1,29,91,81,205
Interest on Loans			-	3,421
Depreciation		5,60,42,967		4,11,84,056
Less: Attributed to the Projects		(19,200)	5,60,23,767	(19,200)
TOTAL			4,04,84,82,131	3,14,52,90,835
(LOSS)/PROFIT FOR THE YEAR BEFORE PROVISIONS WRITTEN BACK/ EXTRAORDINARY ITEMS/PRIOR PERIOD ADJUSTMENTS			(12,49,07,388)	(14,78,04,087)
Provisions No Longer Required Written Back			92,73,801	2,12,58,264
Prior Period Income		14,65,047		53,01,311
Prior Period Expenses		31,53,478		8,38,68,884
Net Prior Period Income/(Expenditure)			(16,88,431)	(7,85,67,573)
(LOSS)/PROFIT BEFORE TAX			(11,73,22,018)	(20,51,13,396)
PROVISION FOR TAX				
Current Tax		-		(7,20,00,000)
Deferred Tax {net including ₹ NIL in respect of earlier years (Previous Year ₹ 55.95 lakh)}		3,12,58,164		13,09,14,138
Fringe Benefit Tax		-		-
Wealth Tax		(61,185)		(66,445)
Income Tax / FBT For Earlier Year Written Back		2,62,170		31,57,962
			3,14,59,149	6,20,05,655
(LOSS)/PROFIT AFTER TAX			(8,58,62,869)	(14,31,07,741)
AMOUNT AVAILABLE FOR APPROPRIATION			(8,58,62,869)	(14,31,07,741)
APPROPRIATIONS				
Proposed Dividend			-	-
Dividend Tax			-	-
Transfer to General Reserve			(8,58,62,869)	(14,31,07,741)
			(8,58,62,869)	(14,31,07,741)
Earning Per Share (Basic)			(1.00)	(1.85)
Earning Per Share (Diluted)			(1.00)	(1.85)
(Refer Note No.9(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 : 31st August, 2011
Place : New Delhi

Share Capital

Schedule-1

Particulars	As at 31.3.2011	As at 31.3.2010
	₹	₹
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	85,76,94,000
(P.Y. 8,57,69,400 Equity Shares of ₹ 10 each fully paid-up)		
TOTAL	85,76,94,000	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 alloted 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 alloted 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 alloted during the financial year 2009-10 to the President of India at premium of ₹ 30 per Equity Share.*

Reserves and Surplus

Schedule-2

	Particulars		As at 31.3.2011	As at 31.3.2010
		₹	₹	₹
1	Capital Reserve		23,53,774	23,53,774
2	Share Premium			
	Opening Balance	54,75,00,000		-
	Add: Addition during the year	-		54,75,00,000
			54,75,00,000	54,75,00,000
3	General Reserve			
	Opening Balance	1,73,04,05,355		1,87,35,13,096
	(Less)/Add: Transferred from			
	Profit & Loss Account	(8,58,62,869)		(14,31,07,741)
			1,64,45,42,486	1,73,04,05,355
	TOTAL		2,19,43,96,260	2,28,02,59,129

Fixed Assets

Schedule - 3A

Sl. No.	Particulars	GROSS BLOCK: Up to 31.3.2010	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Up to 31.3.2011	DEPRECIATION: Up to 31.3.2010	For the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Up to 31.3.2011	NET BLOCK: As at 31.3.2011	As at 31.3.2010
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1.	Leasehold Land	3,26,59,920	-	-	3,26,59,920	30,43,317	96,532	-	31,39,849*	2,95,20,071	2,96,16,603
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	24,86,73,582	1,27,19,458	2,24,929	26,11,68,111**	13,01,44,634	49,08,134	1,10,256	13,49,42,512	12,62,25,599	11,85,28,948
4.	Sanitary Installations	2,37,53,176	1,18,28,723	12,000	3,55,69,899	2,10,41,080	9,10,301	2,467	2,19,48,914	1,36,20,985	27,12,096
5.	Plant and Machinery	12,22,81,826	1,33,40,310	64,89,882	12,91,32,254	9,54,52,560	39,60,214	61,61,296	9,32,51,478	3,58,80,776	2,68,29,266
6.	Electrical Installations	14,13,97,491	3,30,14,736	86,05,983	16,58,06,244	6,15,79,784	90,74,908	81,75,234	6,24,79,458	10,33,26,786	7,98,17,707
7.	Lifts	2,32,86,662	1,31,74,994	46,46,421	3,18,15,235	1,90,22,270	10,15,959	44,14,100	1,56,24,129	1,61,91,106	42,64,392
8.	Kitchen Equipment	3,37,31,970	11,60,574	1,44,278	3,47,48,266	2,64,95,253	12,69,256	1,30,601	2,76,33,908	71,14,358	72,36,717
9.	Sound System and Musical Instruments	7,81,69,014	1,16,48,771	29,97,711	8,68,20,074	4,05,62,694	60,45,369	23,98,419	4,42,09,644	4,26,10,430	3,76,06,320
10.	Furniture, Fixtures and Furnishings	24,59,26,826	2,81,56,428	40,55,100	27,00,28,154	16,42,70,140	1,27,87,105	36,67,964	17,33,89,281	9,66,38,873	8,16,56,686
11.	Office Equipment including Computers	14,65,35,150	1,32,18,066	45,27,988	15,52,25,228	7,36,19,358	86,38,776	35,33,148	7,87,24,986	7,65,00,242	7,29,15,792
12.	Air-Conditioners, Coolers and Refrigerators	15,30,51,589	87,81,128	37,50,167	15,80,82,550	8,74,49,777	50,75,608	30,68,698	8,94,56,687	6,86,25,863	6,56,01,812
13.	Vehicles	1,97,50,591	5,42,928	14,31,865	1,88,61,654	1,09,77,498	14,47,480	12,56,608	1,11,68,370	76,93,284	87,73,093
14.	Intangible Assets-Software	9,50,170	26,18,177	-	35,68,347	1,71,900	8,13,325	-	9,85,225	25,83,122	7,78,270
	Total	1,27,22,27,440	15,02,04,293	3,68,86,324	1,38,55,45,409	73,40,54,691	5,60,42,967	3,29,18,791	75,71,78,867	62,83,66,542	53,81,72,749
	Previous Year	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	-

* *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 31.3.2010	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2011	Up to 31.3.2010	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2011	Depreciated Value as on 31.3.2011	Net Realisable Value as on 31.3.2011	Balance Provided For
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. Net Realisable Value is more than Depreciated Value											
Airconditioners, Coolers and Refrigerators	1,440	59,579	-	61,019	1,368	52,997	-	54,365	6,654	6,654	-
Office and Miscellaneous Equipment	9,99,681	47,916	-	10,47,597	9,07,942	6,052	-	9,13,994	1,33,603	1,33,603	-
Furniture, Fixtures & Furnishings	21,29,010	8,539	-	21,37,549	20,23,244	6,630	-	20,29,874	1,07,675	1,07,675	-
Kitchen Equipment	-	1,18,430	-	1,18,430	-	1,08,680	-	1,08,680	9,750	9,750	-
Sanitary Installations	43,15,204	12,000	82,500	42,44,704	42,30,114	11,400	78,375	41,63,139	81,565	81,565	-
Sound System & Musical Instruments	19,20,352	20,84,022	-	40,04,374	18,25,039	17,19,346	-	35,44,385	4,59,989	4,59,989	-
Electrical Installations	793	2,391	-	3,184	754	2,391	-	3,145	39	39	-
Plant and Machinery	60,920	20,620	-	81,540	57,874	15,497	-	73,371	8,169	8,169	-
Vehicles	14,13,688	1,725	6,91,674	7,23,739	13,43,004	1,725	6,57,091	6,87,638	36,101	36,101	-
Total-A	1,08,41,088	23,55,222	7,74,174	1,24,22,136	1,03,89,339	19,24,718	7,35,466	1,15,78,591	8,43,545	8,43,545	-
B. Net Realisable Value is less than Depreciated Value											
Airconditioners, Coolers and Refrigerators	97,167	11,40,500	-	12,37,667	92,546	9,11,390	-	10,03,936	2,33,731	1,60,403	73,328
Office and Miscellaneous Equipment	1,46,641	10,120	-	1,56,761	96,343	5,004	-	1,01,347	55,414	500	54,914
Furniture, Fixtures & Furnishings	76,168	-	-	76,168	72,119	-	-	72,119	4,049	-	4,049
Kitchen Equipment	12,553	-	-	12,553	12,418	-	-	12,418	135	-	135
Sound System & Musical Instruments	43,597	99,656	-	1,43,253	41,396	38,531	-	79,927	63,326	4,500	58,826
Electrical Installations	11,55,330	47,892	-	12,03,222	5,35,836	45,497	-	5,81,333	6,21,889	1,000	6,20,889
Plant and Machinery	-	18,972	-	18,972	-	18,023	-	18,023	949	500	449
Vehicles	20,37,346	-	9,47,936	10,89,410	18,02,537	-	9,00,540	9,01,997	1,87,413	68,000	1,19,413
TOTAL-B	35,68,802	13,17,140	9,47,936	39,38,006	26,53,195	10,18,445	9,00,540	27,71,100	11,66,906	2,34,903	9,32,003
TOTAL (A+B)	1,44,09,890	36,72,362	17,22,110	1,63,60,142	1,30,42,534	29,43,163	16,36,006	1,43,49,691	20,10,451	10,78,448	9,32,003
PREVIOUS YEAR	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

Capital Work-in-Progress

Schedule - 4

	Particulars	As at 31.3.2011	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	20,15,86,047	43,44,49,664
2	Expenses Attributed to Projects pending Allocation	1,58,17,376	88,79,589
3	Capital Goods-in-Hand and in Transit	15,99,041	24,61,927
		21,90,02,464	44,57,91,180
	Less: Provision for Impairment Loss	45,314	45,314
	TOTAL	*21,89,57,150	44,57,45,866

**It includes ₹ 214.29 lakh (Previous year ₹ 211.21 lakh) being carried forward for more than five years.*

Investments (at cost)

Schedule - 5

Particulars		As at 31.3.2011	As at 31.3.2010
	₹	₹	₹
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	3,21,755		20,35,075
Capital contribution during the year	-		1,50,000
Add : Share of Profit for the year	(4,165)		3,454
Less: Amount received during the year	-		18,66,774
		3,17,590	3,21,755
TOTAL 'C'		3,17,615	3,21,780
TOTAL 'A+B+C'		8,13,77,215	8,13,81,380

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

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

*** *Refer Note No. 7(r) 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 31.3.2011	As at 31.3.2010
	₹	₹	₹	₹
A. CURRENT ASSETS				
I. Interest Accrued on:				
Deposits		7,77,88,344		6,10,48,775
Loans to Employees		37,70,995		45,40,302
			8,15,59,339	6,55,89,077
II. Inventories:				
(As per inventories prepared, valued and certified by the Management at lower of cost or net realisable value)				
Stores and Spares	2,60,42,482			2,35,30,642
Tools	26,104			60,033
Crockery, Cutlery, Glassware and Linen etc.in hand and in use	3,41,74,982			2,12,44,017
Stocks and Stores (Others)	6,29,66,357			6,71,28,641
Goods-in-transit	-			63,90,468
		12,32,09,925		11,83,53,801
Less : Provision for Inventory Write Down		80,61,613		81,64,577
			11,51,48,312	11,01,89,224
III. Sundry Debtors:				
Debtors outstanding for a period exceeding six months:-				
Considered Good (Secured)	1,65,23,260			37,83,834
Considered Good (Un-Secured)	21,84,86,486			28,59,48,493
Considered Doubtful	23,01,81,409			16,80,43,289
		46,51,91,155		45,77,75,616
Other Debtors:				
Considered Good (Secured)	3,74,14,377			2,46,12,859
Considered Good (Un-Secured)	67,32,23,677			43,11,73,005
Considered Doubtful (Un-Secured)	-			-
		71,06,38,054		45,57,85,864
		1,17,58,29,209		91,35,61,480
Less: Provision for Doubtful Debts		23,01,81,409		16,80,43,289
			94,56,47,800	74,55,18,191
IV. Cash and Bank Balances:				
Cash balance on hand (Including Imprest & Foreign Currency Notes)		19,99,844		24,04,912
Cheques in hand		1,64,19,139		4,11,05,965
Remittances in transit		-		9,85,424
Stamps in hand		-		-
Balance with Scheduled Banks:				
In Current Accounts		33,75,61,849		26,50,78,834
In Deposit Accounts [includes Fixed Deposits of ₹ 30.91 lakh (P.Y. ₹ 3.35 lakh) lodged as security]		2,34,25,36,394		2,69,84,44,884
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 ₹ 1.23lakh (P.Y. ₹ 1.23 lakh)]				
Less:- Provision for Doubtful Recovery	1,22,956	-		1,22,956
			2,69,85,17,226	3,00,80,20,019

Particulars			As at 31.3.2011	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)		6,64,937		7,95,766
Unsecured:				
Considered Good (Recoverable from Subsidiaries)	10,51,34,543			14,56,29,850
Considered Good (Others)	22,29,69,397			36,92,91,842
Considered Doubtful (Recoverable from Subsidiaries)	9,88,000			-
Considered Doubtful (Others)	4,44,31,509			3,99,17,199
	37,35,23,449			55,48,38,891
Less: Provision for Doubtful Advances	4,54,19,509			3,99,17,199
		32,81,03,940		51,49,21,692
Security Deposits				
Considered Good	1,74,28,092			1,91,11,367
Considered Doubtful	24,76,355			24,76,355
	1,99,04,447			2,15,87,722
Less: Provision for Doubtful Security	24,76,355			24,76,355
		1,74,28,092		1,91,11,367
Advance Income Tax and Tax Deducted at Source		38,94,43,549		32,16,89,994
Sales Tax paid in advance		28,000		32,924
			73,56,68,518	85,65,51,743
TOTAL			4,57,65,41,195	4,78,58,68,254

Current Liabilities and Provisions

Schedule - 7

Particulars		As at 31.3.2011	As at 31.3.2010
	₹	₹	₹
A. CURRENT LIABILITIES			
Sundry Creditors		1,21,53,48,337	1,11,84,72,473
Security Deposits and Retention Money		32,89,15,052	30,76,84,923
Advances from Customers		57,97,55,261	94,12,05,494
Other Liabilities		21,43,89,876	14,38,49,967
		2,33,84,08,526	2,51,12,12,857
B. PROVISIONS			
For Proposed Dividend		-	-
For Tax on Proposed Dividend		-	-
For Leave Encashment		31,63,88,428	28,40,72,274
For Income Tax		-	7,20,00,000
For Wealth Tax		61,185	66,445
For Retirement Gratuity	67,19,59,539		56,38,38,115
Less : Fund size of investment as per Gratuity Policy	54,17,80,899		41,79,63,402
		13,01,78,640	14,58,74,713
		44,66,28,253	50,20,13,432
TOTAL		2,78,50,36,779	3,01,32,26,289

Sales, Income from Services Rendered and Other Income

Schedule - 8

Particulars		Year ended 31.3.2011	Year ended 31.3.2010
	₹	₹	₹
A. SALES LESS RETURNS			
Food	51,26,04,396		39,28,27,747
Beer, Wine & Spirits	19,50,47,205		18,30,74,759
Cigars and Cigarettes	1,68,47,974		1,97,60,484
Soft Drinks	2,44,99,307		2,53,94,332
Cameras, Watches and Tape Recorders	7,280		3,23,787
Perfumes	54,957		1,80,975
Petrol, Oil and Lubricants	9,30,15,303		8,34,34,548
Miscellaneous Sales	95,50,884		1,05,67,985
		85,16,27,306	71,55,69,617
B. INCOME FROM SERVICES RENDERED			
Room Rent	1,37,69,42,887		1,00,37,98,470
Licence Fee	36,02,41,965		27,67,84,329
Traffic Earnings and Package Tours	13,02,59,577		11,58,30,462
Son-et-Lumiere & Cultural Shows	81,99,247		71,65,381
Electricity Charges	4,35,11,769		3,62,55,926
Telephone Services	11,51,754		10,49,546
Advertisement Income	1,26,99,384		96,79,879
Revenue from execution of Projects	15,79,79,352		4,98,02,591
Management/Consultancy/Event Management/ Training Fees	14,97,45,802		13,19,68,078
Travel Services	53,69,33,934		33,90,93,528
Service Charges	4,24,74,189		2,88,75,037
		2,82,01,39,860	2,00,03,03,227
C. OTHER INCOME			
Interest (Gross) from:- Banks / Financial Institutions	18,81,87,201		20,46,83,982
Loans to Employees	94,724		1,19,721
On Income Tax Refunds	-		30,35,330
Others [Includes ₹ 1.82 lakh (P.Y. ₹ 5.30 lakh) on loans to Subsidiary Co's]	1,81,750		9,34,778
[Tax deducted at source ₹ 192.82 lakh (P.Y. ₹ 325.53 lakh)]		18,84,63,675	20,87,73,811
Dividend received from Subsidiary Companies (Gross)		-	10,18,860
Profit on Sale of Assets	5,33,936		16,45,293
Product Incentive	-		2,29,314
Gain on Foreign Exchange Variation	27,04,043		20,32,351
Grant from Ministry of Tourism	83,907		9,21,118
Share of Profit from partnership Business	-		3,454
Miscellaneous Income	6,00,22,016		6,69,89,703
		6,33,43,902	7,18,21,233
TOTAL		3,92,35,74,743	2,99,74,86,748

Cost of Material and Services

Schedule - 9

Particulars	₹	₹	Year ended 31.3.2011 ₹	Year ended 31.3.2010 ₹
Cost of Consumption of Raw Materials, Other Materials Sold and Services Rendered				
a. Provisions, Beverages & Smokes				
Opening Stock		1,51,47,405		1,11,95,219
Purchases and Adjustments (including value of own production)		19,32,22,577		16,40,61,633
		20,83,69,982		17,52,56,852
Less: Transfers and Adjustments (at cost)	3,27,06,589			2,04,66,813
Closing Stock	88,17,317			1,51,47,405
		4,15,23,906		3,56,14,218
			16,68,46,076	13,96,42,634
b. Wines and Liquors				
Opening Stock		4,45,91,739		3,86,02,431
Purchases and Adjustments		9,95,44,902		6,84,69,982
		14,41,36,641		10,70,72,413
Less: Transfers and Adjustments (at cost)	3,35,53,752			1,40,15,273
Closing Stock	4,68,19,252			4,45,91,739
		8,03,73,004		5,86,07,012
			6,37,63,637	4,84,65,401
c. Other Materials				
Opening Stock		63,35,345		73,84,783
Purchases and Adjustments		9,75,57,104		9,06,67,558
		10,38,92,449		9,80,52,341
Less: Transfers and Adjustments (at cost)	-			39,15,866
Closing Stock	63,09,948			63,35,345
		63,09,948		1,02,51,211
			9,75,82,501	8,78,01,130
d. Cost of Services Rendered/Purchased				
Execution of Projects		14,25,29,563		3,67,40,477
Other Services		6,99,51,529		8,03,47,482
			21,24,81,092	11,70,87,959
TOTAL			54,06,73,306	39,29,97,124

Employees' Remuneration and Benefits

Schedule-10

Particulars	Year Ended 31.3.2011 ₹	Year Ended 31.3.2010 ₹
Salaries, Wages & Bonus	1,15,16,35,927	1,12,99,41,894
Employer's Contribution to Provident & Other Funds	8,79,28,729	9,76,66,985
Staff Welfare Expenses (Including contribution to Staff Welfare Fund)	8,76,38,537	7,07,11,870
Uniforms	58,62,250	65,82,486
Deferred Revenue Expenditure (VRS) Written Off	-	2,18,96,585
Provision/Contribution to Employee's Gratuity Scheme (Net)*	11,98,51,626	10,89,94,396
	1,45,29,17,069	1,43,57,94,216
Less : Charged to the Projects of the Ministry of Tourism	48,95,306	37,13,256
Charged to the Ministry of External Affairs	2,40,85,802	2,01,36,731
TOTAL	1,42,39,35,961	1,41,19,44,229

**Refer Note 9(ii) to Notes to Accounts (Schedule 12)*

Operating and Other Expenses

Schedule - 11

Particulars		Year Ended 31.3.2011	Year Ended 31.3.2010
	₹	₹	₹
Travelling and Conveyance			
(a) Directors	9,27,592		18,94,547
(b) Officers and Staff	1,52,07,996		1,47,61,300
(c) Staff Car Expenses	57,82,037		41,06,119
		2,19,17,625	2,07,61,966
Rent, Rates, Taxes and Insurance			
(a) Rent	6,25,02,836		6,41,95,518
(b) Rates & Taxes	2,70,87,270		2,51,31,933
(c) Insurance	74,19,633		37,01,058
		9,70,09,739	9,30,28,509
Repairs and Maintenance			
(a) Plant and Machinery	4,99,39,141		4,32,13,276
(b) Buildings	33,86,14,985		8,10,04,374
(c) Vehicles	11,36,129		13,58,940
(d) Others	14,91,93,157		6,65,62,946
		53,88,83,412	19,21,39,536
Auditors' Remuneration (Including Branch Auditors)			
(a) Audit Fees	11,67,001		9,24,054
(b) In other capacity in respect of :			
(i) Tax Audit Fees	3,49,982		2,44,768
(ii) Certification	45,223		1,52,766
iii) Out of Pocket Expenses	1,820		1,170
		15,64,026	13,22,758
Directors' Sitting Fee		2,000	33,000
Legal and Professional Charges		1,09,43,505	1,30,73,384
Printing, Stationery and Periodicals		1,16,52,496	1,29,66,162
Communication Expenses		1,03,21,710	1,12,61,658
Power and Fuel		21,23,42,563	19,07,56,881
Advertisement, Publicity & Sales Promotion		2,51,44,206	3,44,57,207
Entertainment		19,36,280	24,31,690
Band and Music		44,87,866	45,08,837
Expenses on Cultural Shows		15,51,739	12,99,888
Commission to Travel Agents/Credit Card Companies		41,02,646	42,79,855
Licencees' Share of Profit		4,44,28,455	5,24,96,254
Miscellaneous Expenses		1,45,07,416	87,61,974
Upkeep, Service Cost and Other Operating Expenses		87,00,30,708	60,84,74,435
Loss on Sale of Fixed Assets/Write Off of Assets		1,98,532	1,41,480
Loss on Collaboration Ventures		19,177	2,45,51,775
Depletion/Consumption & Breakages in Crockery, Cutlery & Utensils etc.		39,88,818	48,32,325
Bad Debts		8,14,978	9,42,562
Advances Written Off		9,69,66,110	-
Provision for Doubtful Debts & Advances		7,05,42,173	2,82,86,086
Provision for Diminution in Fixed Assets		2,46,465	1,39,807
Provision for Inventory Write Down/Write Off of Inventory		53,871	9,75,930
TOTAL 'A'		2,04,36,56,516	1,31,19,23,959
LESS:			
Charged to the Projects of the Ministry of Tourism	9,67,593		10,15,615
Charged to the Ministry of External Affairs	1,45,79,037		1,14,09,642
Departmental Expenses Charged to ITDC Units	2,60,789		3,17,497
TOTAL 'B'		1,58,07,419	1,27,42,754
TOTAL 'A-B'		2,02,78,49,097	1,29,91,81,205

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 01.04.1987 to 15.12.1993, at the pre-revised rates as per the Schedule XIV of the Companies Act, 1956.

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

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

The rates at which depreciation has been charged are given 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 demands from custom authority ₹ 21,875.10 lakh (Previous Year ₹ 21,874.68 lakh) and are subjudice].	28,509.42	28,524.87
(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).	472.95	2,901.76
(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).	91.58	258.27
(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)]	458.27	507.09
(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 Maharastra Sales Tax Tribunal/High Court].	11,857.08	12,040.39
(vii)(a)	Liability towards Service Tax (including interest thereon) pertaining to banqueting, including catering activities, at hotels up to 31.03.2007.		
(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 Sl. Nos.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.

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 ₹ 682.43 lakh (Previous year ₹ 660.23 lakh) towards ESI dues in respect of five hotel/catering units against which the Corporation holds a deposit 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 (previous year ₹ 194.42 lakh) lakh towards ESI dues. No provision has been made for the balance of ₹ 488.01 lakh (Previous year ₹ 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 & upheld the earlier judgement of the Hon'ble High Court. Accordingly the premises was vacated & possession handed over to the owner on 28.02.2007. Pending determination by the Local Commissioner of the amount payable, no provision has been made in the accounts.

(d) Rental agreement with Life Insurance Corporation of India (LIC) expired on 25.07.2005 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 26.07.2005 to 22.02.2008 and ₹ 100/- per sq. feet for the period from 23/02/2008 to 31.03.2010 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 22.2.2008 has been included under Contingent Liabilities in para 1 (a) (i) above.

(e) A case was filed by Ms. S L Beer, an Australian resident, in 1982 in Hon'ble Delhi High Court. She had sustained injury at the erstwhile Akbar Hotel Swimming Pool on 05.05.1978. She filed the case against the Corporation claiming ₹ 2.00 crore by way of damages plus interest @ 18%. The Single Bench of the Hon'ble Delhi High Court passed an order dated 03.03.2011 in favour of the plaintiff awarding ₹ 1.82 crore along with simple interest @6% w.e.f. 22.01.1982 till the date of the decree and further simple interest on the said amount @ 10% p.a. till its realisation. Aggrieved from the above judgement, ITDC has filed an appeal before the Divisional Bench of Hon'ble Delhi High Court. The Hon'ble Court vide order dated 19.07.2011, while staying the above judgement and execution proceedings, has directed ITDC to deposit an amount of ₹ 499.59 lakh, the decreetal amount with the Registrar General of the Delhi High Court. Accordingly, ITDC has deposited the said amount during the F/Y 2011-12 with the court. Therefore pending finalisation in the matter, no provision has been made in the Accounts for F/Y 2010-11 and the amount of ₹ 499.59 lakh has been included as Contingent Liability at 1(a)(i) above.

(f) Sundry creditors include unlinked receipts from customers etc. of ₹ 81.24 lakh (Previous year ₹ 65.22 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 2010-11 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 31.03.11 of ₹ 212.32 lakh (Previous Year ₹ 209.69 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 was 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 ₹ 4,841.59 lakh has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year ₹ 1,171.13 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 ₹ 43.30 lakh (Previous Year ₹ NIL lakh).

6. Current Assets, Loans and Advances

(a) (i) Sundry Debtors and Loans and Advances include ₹ 1,372.87 lakh (net) (Previous year ₹ 1,819.03 lakh-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 Corporation Ltd.	125.68	129.14	73.36	73.87
2 Donyi Polo Ashok Hotel Corporation Ltd.	-	-	-	-
3 MP Ashok Hotel Corporation Ltd.	77.84	80.54	286.13	384.68
4 Pondicherry Ashok Hotel Corporation Ltd.	50.30	50.79	15.61	13.07
5 Ranchi Ashok Bihar Hotel Corporation Ltd.	76.58	77.71	229.27*	230.30*
6 Utkal Ashok Hotel Corporation Ltd.**	24.55	24.55	428.89	728.75
7 Punjab Ashok Hotel Company Ltd.	-	-	27.96	25.63
Total	354.95	362.73	10,61.22	1,456.30
Less : Provision made	33.42	-	9.88	-
Net	321.53	362.73	1,051.34	1,456.30

(*) 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 (Previous Year ₹ 729.10 lakh) in some of the above subsidiary companies, have been evaluated at cost despite significant accumulated losses. The Corporation is accounting for income from these companies since 2008-09 (viz. management fees & interest on loans given) to actual realisation/ to the extent of deposit of taxes deducted at source in view of the repayment not being commensurate with the amount charged to them. The accounts recoverables as listed above have, however, been considered good of recovery keeping in view of the long term relationship with those companies and the intrinsic value of the assets held by the companies.

(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	0.16	0.16
Maximum amount due from Directors and officers of the Corporation during the year	0.16	0.88
(ii) Advances due from Directors and officers of the Corporation	10.91	13.71
Maximum amount due from Directors and officers of the Corporation during the year	15.92	30.54

(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 31.3.2011.The net gain of ₹ 0.58 lakh (previous year 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 31.03.1991 in view of non-availability of exchange rate.

(b) Interest on deferred payments from M/s NBCC from 01.4.1994 onwards regarding Iraq project has not been accounted for in the absence of advice from NBCC.

(c) The net accumulated amount of losses - ₹ 2,364.08 lakh (Previous year ₹ 2,264.97 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.#	2010-11	51	315.06
Donyi Polo Ashok Hotel Corporation Ltd.##	2010-11	51	(48.86)
Madhya Pradesh Ashok Hotel Corporation Ltd.#	2010-11	51	146.15
Pondicherry Ashok Hotel Corporation Ltd.#	2010-11	51	(41.33)
Punjab Ashok Hotel Company Ltd.#	2010-11	51	6.74
Ranchi Ashok Bihar Hotel Corporation Ltd.#	2010-11	51	128.41
Utkal Ashok Hotel Corporation Ltd.#@	2010-11	98	1,857.91
Total Net Losses			2,364.08
Previous Year Net Losses			2,264.97

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

(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) Deferred 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 ₹ 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)

Particulars	Current Year	Previous 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 ₹ NIL 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)

Particulars	Current Year	Previous 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 ₹ NIL lakh (Previous year ₹ 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)

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

(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	5.75	3.08
Fuel	65.71	44.90
Depreciation	10.49	7.31
Repairs	26.99	13.61
Total	108.94	68.90

(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	88.79	69.95
Add:-		
Other Project Overheads	69.19	18.65
Depreciation/Amortisation of Lease	0.19	0.19
Less: Capitalised during the year	-	-
Closing Balance {see Schedule 4(c)}	158.17	88.79

(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)
2 Income from Services Rendered :		
Room Rent/Licence Fee	16.34	139.29
Consultancy	8.50	-
Service Handling Charges	-	-
3 Others :		
Employees' Remuneration and Benefits	0.41	0.21
Rent Recovery	-	0.26
Cost of Sales	(8.60)	-
Interest	(0.19)	-
Miscellaneous Income	0.36	(86.35)
Income from hired Vehicles	0.96	-
Electricity & Water Charges	(3.13)	-
Total	14.65	53.01
Expenditure:		
1 Cost of Consumption of Raw Material, Other Materials Sold and Services	(1.24)	(49.92)
2 Employees' Remuneration and Benefits	5.85	13.03
3 Travelling and Conveyance	0.18	0.41
4 Rent, Rates, Taxes and Insurance	0.33	860.82
5 Repairs and Maintenance	14.52	4.39
6 Audit Fee	0.03	-
7 Legal and Professional Charges	0.92	1.38
8 Printing, Stationery and Periodicals	0.17	-
9 Communication Expenses	0.05	1.31
10 Power and Fuel	0.63	1.74
11 Advertisement, Publicity and Sales Promotion	0.07	-
12 Sundry Expenses	3.14	6.54
13 Upkeep and Service Cost and Other Operating Expenses	4.53	(2.65)
14 Depreciation	1.14	(0.49)
15 Newspaper, Books & Magazines	-	0.11
16 Payment to Hired Vehicles	0.88	0.03
17 Membership & Subscription	0.11	1.00
18 Hire Charges	-	0.96
19 Entertainment Exp.	-	0.03
20 Insurance	0.22	-
Total	31.53	838.69

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

(₹ in lakh)

Particulars	Current Year	Previous Year
1 Provision for Doubtful Debts and Advances	28.45	58.28
2 Depreciation	0.47	1.00
3 Cost of Material Sold and Services Rendered	0.35	16.75
4 Salaries Wages and Benefits	50.82	63.94
5 Travelling & Conveyance	-	-
6 Repairs and Maintenance	3.19	15.81
7 Loss on Sale of Assets	0.20	-
8 Upkeep & Service Cost	4.45	27.55
9 Other Operating and Administrative Expenses	2.06	3.77
10 Provision for diminution in fixed assets	-	1.56
11 Provision for Inventory written down	0.40	3.89
12 Communication Exp.	2.35	-
Total	92.74	192.55

(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 ₹ 11.35 lakh (Previous year ₹ 20.56 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 0.84 lakh incurred during the year (Previous year ₹ 9.21 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 ₹ 10.51 lakh (previous year ₹ 11.35 lakh) at the close of the year has been presented in the accounts as Deferred Government grant below Reserve and Surplus.

(n) ₹ 4,570.98 lakh (Previous Year ₹ 1,629.88 lakh) spent on renovation during the year at various hotels has been segregated as relating to capital ₹ 994.14 lakh (Previous Year ₹ 1,116.96 lakh) and revenue expenditure ₹ 3,576.84 lakh (Previous Year ₹ 512.92 lakh) based on certificate issued by the Project engineer and which have been relied upon by the auditors.

(o) 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.

(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 loss from the partnership amounting to ₹ 0.04 lakh (Previous year profit ₹ 0.03 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 31.03.2011 (₹)	Profit/ Share
1) ITDC Ltd.	3,17,590	50%
2) Showtime Events (India) Pvt.Ltd.	3,17,590	50%
Accounts for the F.Y. 2010-11 is unaudited		

(q) The Corporation had, for the purpose of running of the Duty Free Trade in India, established on 18.09.2007 a Joint Venture Company (JV) in collaboration with M/s Aldeasa of Spain vide agreement dated 10.07.2007. In terms of the JV agreement, the Corporation and Aldeasa were to equally contribute funds to the JV towards capital and accordingly the Corporation has, being a promoter subscriber, recorded an investment to the extent of ₹ 50,000 (5,000 equity shares of ₹ 10 each) in the joint venture, though the share certificates remained to be received from the JV company. The share of loss from the partnership amounting to ₹ 0.15 lakh has been recognised during the year.

(r) Company entered into an Agreement dt. 19th February, 2002 with M/s Maruti Udyog Ltd. for renewal of Sublease from 1st February, 2002 to 31st January, 2011 and another period of nine years thereafter subject to enhancement of rent in respect of the property comprising of Workshop-cum-Depot constructed on Plot No. C-119 Naraina Industrial Area, Phase-I, New Delhi. As per terms of agreement, the entire rent for a period of 9 years was paid by Maruti Udyog Ltd. in advance. During the currency of the lease period, M/s Maruti Udyog Ltd. carried out additional construction in the said premises and in the process the Workshop-cum-Depot that had been let out was demolished and rendered extinct which was neither envisaged nor intended in the Sub-Lease Agreement. Therefore, a legal notice dt. 14th June, 2010 was given to Maruti Udyog Ltd to vacate the premises w.e.f. 1.7.2010. The balance amount of advance rent lying with ITDC amounting to ₹ 25,01,849/- was accordingly returned to M/s Maruti Udyog Ltd. Applications dt. 1.7.2010 was filed by ITDC for eviction of premises and recovery of damages under Public Premises (Eviction of Unauthorized Occupants) Act, 1971 before H'ble Estate Officer. In the meanwhile Maruti Udyog Ltd. filed a writ petition in H'ble Delhi High Court against the eviction and recovery applications of ITDC which has been stayed by the Hon'ble High Court. Pending legal proceedings in the matter, the premises has not yet been vacated by M/s Maruti Udyog Ltd.

(s) An amount of ₹ 191.36 lakh on account of reimbursement of indirect expenses for the year 2005-06 to 2010-11 is receivable from the Ministry of External Affairs. The same has been accounted for on the basis of 15% as per previous aggreement. In term, of new agreement dated 22nd July, 2011 entered between the company and M.E.A., the same will be claim on actual/ prorata basis. The difference, if any shall be acounted for in the year 2011-12.

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 31.03.2001. 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. Further the Ministry of Tourism got the claim of ITDC examined in consultation with IF Division of the Ministry and has communicated vide their letter no. 12/1/2005-PSU(T) dt. 9.07.2007 the following observation of IF Division.

"The proposal of ITDC had been received in IF Division and the claim of ITDC was not accepted."

Although Company took up the matter with the Ministry of Tourism (MoT) yet there has not been any favourable response from the Ministry. Accordingly, Board of Directors of the Company in its meeting held on 24.08.2011 decided to Write-off above amount in the Books of Accounts for the year 2010-11 (₹ 1,326.12 lakh due from 15 Transferee companies in respect of disinvested units of ITDC less ₹ 356.45 lakh due to 3 transferee companies.)

(c) Regarding the claim for the period from 1.4.2000 to 31.03.2001 - ₹ 3316.30 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 i) Disclosure in accordance with Accounting Standard- 7 - Construction Contracts

(₹ in lakh)

a) Aggregate amount of Revenue Recognised up to the reporting date	11,937.59
b) Aggregate cost incurred up to reporting date	10,566.08
c) Revenue Recognised during the current financial year	1,579.80
d) Cost incurred during the financial year	1,425.30
e) Total amount of funds received up to the Reporting date	15,789.78
f) Advance due to customers up to Reporting Date	4,356.19
g) Advance due from Customers up to Reporting Date	551.91

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 1.04.10	56,38,38,115	28,40,72,274
ii.	Current service cost	2,72,67,145	1,55,51,747
iii.	Interest cost	4,49,83,468	2,26,63,519
iv.	Acturial gain (-) / losses(+)	7,97,72,843	(58,99,112)
v.	Past service cost	-	-
vi.	Benefits paid	(4,39,02,032)	-
vii.	Present value of projected benefit obligation as on 31.03.2011 (i+ii+iii+iv+v+vi)	67,19,59,539	31,63,88,428
	Reconciliation of fair value of Assets and obligations		
i.	Fair value of plan assets as on 1.04.2010	41,79,63,402	-
ii.	Acquisition adjustment	-	-
iii.	Expected return on plan assets	3,21,71,829	-
iv.	Actual Company's contribution	13,55,47,700	-
v.	Acturial gain(+) / losses(-)	-	-
vi.	Benefits paid	(4,39,02,032)	-
vii.	Fair value of plan assets as on 31.03.2011	54,17,80,899	-
viii.	Present value of defined obligation	67,19,59,539	31,63,88,428
ix.	Net liability recognised in the Balance Sheet (Schedule-7)	13,01,78,640	31,63,88,428
	Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2011		
I.	Current service cost	2,72,67,144	1,55,51,747
ii.	Interest cost	4,49,83,468	2,26,63,519
iii.	Acturial gain(-) / losses(+)	7,97,72,843	(58,99,112)
iv.	Past service cost	-	-
v.	Expected return on plan assets	(3,21,71,829)	-
	Employees' Remuneration & Benefit charged to Profit & Loss A/c- a) Gratuity	11,98,51,626	-
	b) Others	-	3,23,16,154
	Gratuity Fund Investment details (Fund manager wise, to the extent funded)	As on 31-3-2011	As on 31-3-2011
	Life Insurance Corporation of India	25,51,25,406	-
	Life Insurance Corporation of India	16,10,91,736	-
	Metlife Traditional Fund	4,00,19,728	-
	Metlife Unit Linked	2,00,08,344	-
	AVIVA Life Insurance Company India Ltd.	4,35,78,807	-
	HDFC Standard Life Insurance	2,19,56,878	-
	Total	54,17,80,899	-
	Acturial assumption		
i.	Discount rate	8.00% per annum	8.00% per annum
ii.	Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
iii.	Withdrawal rate (18-30 years)	0.00% per annum	0.00% per annum
	Withdrawal rate (31-44 years)	1.00% per annum	1.00% per annum
	Withdrawal rate (44-58 years)	3.00% per annum	3.00% per annum
iv.	Expected rate of return	6.7% per annum	NIL
v.	Future salary increase	5.00% per annum	5.00% per annum
vi	Retirement age	58 years	58 years

The payment of Gratuity Act,1972 was amended w.e.f. 24.05.2010. The maximun ceiling of Gratuity was raised from ₹ 3.50 lakh to ₹ 10.00 lakh. Accordingly an amount of ₹ 235.84 lakh has been included under the head Salary Sages & Benefits towards differential of Gratuity due to employees who have separated from the Corporation w.e.f 24.05.2010 to 28.02.2011.

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 :-

1. Dr. Lalit K. Panwar, C&MD w.e.f. 21.04.2010
2. Mr. Sanjay Kothari, Ex.C&MD w.e.f. 01.12.2009 to 21.04.2010
3. Mr. P.K. Agarwal, Director (Finance) w.e.f. 29.07.2010
4. Mr. Rajiv Makin, Ex Director (C&M) w.e.f. 17.10.2008 to 31.07.2010

Payment made to key management personnels and their relatives :

(Amount in ₹)

Particular	Current Year	Previous Year
Remuneration	54,92,490	35,14,119

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, 2011	31st March, 2010
BASIC		
Net (Loss)/Profit available for Equity	(-)8,58,62,869	(-)14,31,07,741
Weighted Average Number of Equity Shares of ₹10 each	8,57,69,400	7,74,69,400
Basic earnings per share (₹)	-1.00	-1.85
DILUTED		
Net (Loss)/Profit available for Equity	(-)8,58,62,869	(-)14,31,07,741
Weighted Average number of Equity Shares of ₹ 10/- each	8,57,69,400	7,74,69,400
Diluted earnings Per Share (₹)	-1.00	-1.85

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

The major components of deferred tax asset (net) as on 31.3.2011 are given below :-

(₹ in lakh)

Particulars	31st March, 2011		31st March, 2010	
DEFFERED TAX LIABILITIES				
1 Depreciation		551.94		556.19
DEFFERED TAX ASSETS				
1 Carried forward Business Loss	932.66		-	
2 Carried forward Short Term Capital Loss	-		10.05	
3 Provision for Gratuity	422.36		484.56	
4 Provision for Doubtful Debts & Advances & Inventory write down	928.38		726.14	
5 Disallowances under Income Tax Act, 1961	1587.11		2341.44	
		3,870.51		3,562.19
DEFERRED TAX ASSET (NET)		3,318.57		3,006.00

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 31.3.2011 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, 2011, 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 1.4.2010	Provided during the year relating to 2010-11	Provided during the year relating to 2009-10	Payments/ Adjustments during the year	Provision reversed/ written back	Closing Balance as on 31.3.2011
Income Tax	720.00	-	-	717.38	2.62	-
Wealth Tax	0.66	0.61	-	0.66	-	0.61

10 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	576.30	403.67
ii) Cigars and Cigarettes	81.65	261.96
iii) Other items:		
Perfumes	-	0.19
iv) Capital Goods	-	279.61
Total	657.95	945.43

b) Expenditure in Foreign Currency :-

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Travelling	10.99	8.39

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

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Boarding, Lodging and Other Facilities	616.91	948.16
ii) Sale of Goods at Duty Free Shops	768.32	540.40
iii) Gain in Foreign Exchange (net)	27.04	20.32
Total	1,412.27	1,508.88

(d) Remuneration paid to the Directors:

(Amount in ₹)

Particulars	C&MD	Other Directors	Total	Previous Year
i) Salary & Allowances	12,69,594	40,03,183	52,72,777	33,04,670
ii) Employer's Contribution to Provident Fund	-	1,77,242	1,77,242	1,46,384
iii) Other Perquisites (as per IT Rules)	42,471	-	42,471	63,065
Total	13,12,065	41,80,425	54,92,490	35,14,119

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 02.07.2009 for the financial years 2008-09 to 2010-11.

11. 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"**.

12. 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)

Date : 31st August, 2011
Place : New Delhi

(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.*

Annexure "B" to Schedule 12 {Note No. 9 (iii)}

Segment Reporting-AS-17

(₹ in lakh)

	Hotel/Restaurants Operations		Duty Free Shops Operations		Travels & Tours Operations		ARMS & Misc. Operations		Construction, Consultancy & SEL Projects		Others		Total for Company	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
PRIMARY DISCLOSURE (Operation-wise)														
1 Segment Revenue														
a) Total Revenue	25,465.47	19,700.35	837.06	558.51	7,898.25	5,660.10	1,318.50	1,518.21	2,231.83	764.95	2,029.43	2,264.21	39,780.54	30,466.33
b) Less Inter Segment Revenue	24.88	29.16	-	-	184.67	109.57	335.24	352.73	-	-		-	544.79	491.46
c) External Revenue	25,440.59	19,671.19	837.06	558.51	7,713.58	5,550.53	983.26	1,165.48	2,231.83	764.95	2,029.43	2,264.21	39,235.75	29,974.87
2 Segment Results														
Profit/(Loss) before Interest, Tax and Overheads	961.67	(595.32)	(149.01)	(167.87)	(44.90)	(160.54)	(82.25)	103.57	(291.27)	(676.50)	2,029.43	2,264.24	2,423.67	767.58
Less: Allocable Corporate Overheads											3,596.89	2,818.69	3,596.89	2,818.69
Less: Interest	-	-	-	-	-	-		-		-	-	0.03	-	0.03
Less: Provision for Income Tax											-	720.00	-	720.00
Less: Provision for Wealth Tax											0.61	0.66	0.61	0.66
Less: Provision for Deferred Tax											(312.58)	(1,309.14)	(312.58)	(1,309.14)
Add: Provision for Income Tax for earlier year written back											2.62	31.58	2.62	31.58
Profit/(Loss) available for Appropriation	961.67	(595.32)	(149.01)	(167.87)	(44.90)	(160.54)	(82.25)	103.57	(291.27)	(676.50)	(1,252.87)	65.58	(858.63)	(1,431.08)
3 Segment Assets (Current assets plus fixed assets & WIP and Investment)	16,489.48	14,197.75	686.68	838.77	2,385.55	1,431.10	1,029.67	1,458.62	3,008.59	5,343.61	31,463.23	35,247.29	55,063.20	58,517.14
4 Segment Liabilities	15,961.63	15,755.02	820.01	945.96	2,170.32	1,287.08	1,110.59	3,458.43	10,861.25	9,915.93	(3,073.43)	(1,230.16)	27,850.37	30,132.26
5 Depreciation & Amortisation in Respect of Segment Assets for the period	514.96	372.96	1.47	0.29	14.81	15.47	3.68	1.73	1.12	0.95	24.20	20.25	560.24	411.65
6 Cost incurred during the period to Acquire Segment Assets (Tangible & Intangible fixed assets)	1,424.36	1,194.34	41.96	1.16	1.54	0.17	8.48	1.92	2.64	0.14	23.06	20.97	1,502.04	1,218.70
7 Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment	1,620.76	841.33	12.90	2.63	111.48	80.19	141.15	68.85	88.85	182.73	254.96	466.09	2,230.10	1,641.82

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

Annexure "C" to Schedule 12 (Note No. 11)

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	4363
State Code	55
Balance Sheet Date	31.3.2011

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	58,38,178
Total Assets	58,38,178
Sources of Funds	
Paid-up Capital	8,57,694
Share Application Money	-
Reserves & Surplus	21,94,396
Deferred Government Grant	1,051
Secured Loans	-
Current Liabilities and Provisions	27,85,037
Application of Funds	
Fixed Assets	6,29,445
Capital Work-in-Progress	2,18,957
Investments	81,377
Deferred Tax	3,31,858
Current Assets, Loans and Advances	45,76,541
Misc. Expenditure	-
Accumulated Losses	Nil

IV. Performance of Company [Amount in ₹ Thousand]

Turnover	39,23,575
Total Expenditure (including Prior Period Adjustments)	40,40,897
Profit / (Loss) before Tax	(1,17,322)
Profit / (Loss) after Tax	85,863
Earning per Share in ₹ (Basic)	(1.00)
Earning per Share in ₹ (Diluted)	(1.00)
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, 2011

	Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
		₹	₹
A	Cash Flow from Operating Activities		
	Net Profit/(Loss) before tax, prior period & extraordinary items	(12,49,07,388)	(14,78,04,087)
	Adjustments for:		
	Depreciation	5,60,23,767	4,11,64,856
	Deferred Revenue Expenditure (VRS) Written Off	-	2,18,96,585
	Diminution in value of Fixed Assets/Investments	1,11,398	(1,29,082)
	Interest Expense on Loans	-	3,421
	Interest Income	(18,84,63,675)	(20,87,73,811)
	Dividend Income	-	(10,18,860)
	Deferred Government Grant	(83,907)	(9,21,118)
	(Profit)/Loss on Sale of Fixed Assets (Net)	(3,35,404)	(15,03,813)
	Provision for Inventory Write-down	53,871	9,75,930
	Provision for Doubtful Debts and Advances	7,05,42,173	2,82,86,086
	Bad Debts/Advances Written Off	9,77,81,088	9,42,562
	Operating Profit before Working Capital Changes	(8,92,78,077)	(26,68,81,331)
	Adjustments for:		
	Decrease/(Increase) in Sundry Debtors	(27,14,86,760)	4,06,47,443
	Decrease/(Increase) in Loans and Advances	9,16,65,746	3,17,94,042
	Decrease/(Increase) in Inventories	(50,12,960)	(1,26,29,476)
	Increase/(Decrease) in Trade Payables, Other Liabilities	(15,61,84,250)	64,61,02,260
	Direct Taxes (Net)	(13,94,86,461)	(16,39,04,605)
	Prior Period Adjustments	(16,88,431)	(7,85,67,573)
	Provision no longer required Written Back	92,73,801	2,12,58,264
	Net Cash from Operating Activities	(56,21,97,392)	(21,78,19,024)
B	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	(15,02,04,293)	(12,18,69,827)
	Sale of Fixed Assets and Adjustments	36,79,043	44,54,319
	Reduction/(Addition) of Work-in-Progress	22,67,88,716	(35,46,83,386)
	Decrease/(Increase) in Investment	4,165	17,13,320
	Dividend Received from Subsidiary	-	10,18,860
	Interest Received	17,24,93,413	20,12,20,318
	Net Cash Flow from/(used in) Investing Activities	25,27,61,044	(26,81,46,396)

Particulars	Year Ended 31.3.2011	Year Ended 31.3.2010
	₹	₹
C Cash Flow From Financing Activities		
Interest Paid	-	(3,421)
Dividend Paid	-	(8,57,69,400)
Wealth Tax Paid	(66,445)	-
Dividend Tax Paid	-	(1,44,03,594)
Net Cash Flow from/(used in) Financing Activities	(66,445)	(10,01,76,415)
Net increase in Cash and Cash Equivalents (A+B+C)	(30,95,02,793)	(15,05,03,787)
Cash and Cash Equivalents (Opening Balance)*	3,00,80,20,019	3,15,85,23,806
Cash and Cash Equivalents (Closing Balance)*	2,69,85,17,226	3,00,80,20,019

** 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 (FRN 002830N)

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

Date : 31st August, 2011
Place : New Delhi

Balance Sheet

and

Profit & Loss Account

(Consolidated)

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, 2011 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 ₹ 24,13,38,092/- as at 31st March, 2011, Total Revenue of ₹ 18,61,69,650/- and Net Cash Flows amounting to ₹ 1,10,87,270/- for the year ended 31st March, 2011. These financial statements have been audited by other Auditors whose reports have been furnished to us and in our opinion, so far as it relates to the amounts included in respect of Subsidiaries and Joint Ventures, is based solely on the reports of the other Auditors. The unaudited financial statement of two Joint Venture Companies viz. ITDC Aldeasa India Private Limited and ITDC Showtime Consortium (Partnership Firm) has been incorporated in the accounts. The details of Assets, Revenues and Net Cash Flows in respect of these Subsidiaries and Joint Ventures to the extent to which they are reflected in the Consolidated Financial Statements are given below:

(Amount in ₹)

Name of the Company	Total Assets	Total Revenues	Net Cash Flows
Subsidiary Companies			
Madhya Pradesh Ashok Hotel Corporation Ltd.	5,39,69,889	5,76,07,064	20,54,407
Utkal Ashok Hotel Corporation Ltd.	2,57,07,776	-	1,62,385
Assam Ashok Hotel Corporation Ltd.	4,75,44,572	5,92,32,734	71,31,549
Donyi Polo Ashok Hotel Corporation Ltd.	2,84,60,666	2,03,88,984	33,26,427
Ranchi Ashok Bihar Hotel Corporation Ltd.	2,36,27,286	2,49,95,401	(10,96,918)
Pondicherry Ashok Hotel Corporation Ltd.	3,01,31,271	2,39,45,467	(7,45,077)
Punjab Ashok Hotel Company Ltd.	2,72,47,171	-	(150)
Joint Ventures			
ITDC Aldeasa India Private Ltd.	43,20,574	-	2,54,675
ITDC Showtime Consortium (Partnership Firm)	3,28,887	-	(28)
Total	**24,13,38,092**	**18,61,69,650**	**1,10,87,270**

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 ₹ 488.01 lakh (Previous Year ₹ 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 28.02.2007 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) *Impairment in the value of assets / partly completed assets aggregating to ₹ 212.32 lakh (Previous Year ₹ 209.69 lakh) included under capital-work-in progress has not been provided. [Refer Note No. 4(b)]*

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

   v) *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. 5(g)/5(h)]*

   vi) *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)]*

   vii) *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)]*

   viii) *Pending Reconciliation, the difference, if any, is not accounted for, of Reimbursement of Indirect Expenses for the year 2005-06 to*

2010-11 in terms of new agreement with the Ministry of External Affairs. [Refer Note No. 7(q)].

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(iv), 5(v), 5(vi), 5(vii) and 5(viii), which cannot be quantified at this stage.

   c) The impact of our comments in Para 5(iii), which was subject matter of audit qualification in the earlier years also, is given below:

(₹ in lakh)

	Particulars	Reported Figure	Resultant Figure	Impact (net of tax)
A.	Reserve & Surplus [Refer Para 5(iii)]	19,648.38	19,504.95	143.43
B.	Capital Work-in-Progress [Refer Para 5(iii)]	2,468.72	2,256.40	212.32
C.	Deferred Tax Assets (Net) [Tax Impact]	3,277.83	3,346.72	68.89

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. 7(q) of Schedule 12 regarding reconciliation of amount recoverable from the Ministry of External Affairs;*

   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. 5(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. 9 (v) of Schedule-12] - Accounting Standard-19 - Leases.*
   - *Except to the extent referred to in Note 9 (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, 2011;

   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: 31st August, 2011

Balance Sheet as at 31st March, 2011

Particulars	Schedule	₹	₹	As at 31.3.2011 ₹	As at 31.3.2010 ₹
A. SOURCE OF FUNDS					
Shareholders' Funds					
Share Capital	1			85,76,94,000	85,76,94,000
Reserves and Surplus	2			1,96,48,37,603	2,05,44,60,003
Deferred Government Grants				15,43,897	11,35,226
Loan Funds					
Secured Loan	3			4,73,17,091	4,55,05,373
Minority Interest				2,80,88,706	2,69,11,580
TOTAL				2,89,94,81,297	2,98,57,06,182
B. APPLICATION OF FUNDS					
Fixed Assets					
In Use:					
Gross Block	4A		1,58,15,72,135		1,46,07,69,310
Less: Depreciation			86,12,93,150		83,36,76,582
Net Block			72,02,78,985		62,70,92,728
Not in Active Use:					
Gross Block	4B		1,81,16,863		1,61,66,611
Less: Depreciation			1,57,84,626		1,44,77,469
Less: Provision for Diminution			12,24,517		11,13,117
Net Block			11,07,720		5,76,025
Capital Work-in-Progress	4C		24,68,72,216		47,39,82,185
				96,82,58,921	1,10,16,50,938
Investments	5			25	25
Deferred Tax Asset (Net)				32,77,83,396	29,81,52,524
Current Assets, Loans and Advances	6				
Interest Accrued		8,27,52,440			6,65,69,322
Inventories		11,95,29,531			11,42,25,182
Sundry Debtors		93,78,11,997			73,87,86,540
Cash and Bank Balances		2,75,91,40,918			3,05,75,56,442
Loans and Advances		68,24,45,715			74,70,13,526
			4,58,16,80,601		4,72,41,51,012
Less: Current Liabilities and Provisions	7				
Current Liabilities		2,50,25,25,663			2,61,53,64,043
Provisions		47,57,15,983			52,28,84,274
			2,97,82,41,646		3,13,82,48,317
Net Current Assets				1,60,34,38,955	1,58,59,02,695
Significant Accounting Policies and Notes to Accounts	12				
TOTAL				2,89,94,81,297	2,98,57,06,182

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)

Date : 31st August, 2011
Place : New Delhi

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

Profit & Loss Account for the Year Ended 31st March, 2011

Particulars	Schedule	₹	Year ended 31.3.2011 ₹	Year ended 31.3.2010 ₹
INCOME				
Sales, Income from Services Rendered and Other Income	8		4,10,52,23,668	3,15,25,90,043
EXPENDITURE				
Cost of Material & Services	9		56,42,77,536	41,45,18,777
Employees' Remuneration and Benefits	10		1,52,00,35,379	1,49,07,35,483
Operating and Other Expenses	11		2,07,49,98,724	1,32,20,36,275
Interest on Loans			20,34,581	19,96,621
Depreciation		6,08,60,174		4,61,49,860
Less: Attributed to the Projects		(26,598)	6,08,33,576	(26,598)
TOTAL			4,22,21,79,796	3,27,54,10,418
(LOSS)/PROFIT FOR THE YEAR BEFORE PROVISIONS WRITTEN BACK/ EXTRAORDINARY ITEMS/PRIOR PERIOD ADJUSTMENTS			(11,69,56,128)	(12,28,20,375)
Provisions No Longer Required Written Back			67,62,072	1,92,93,407
Prior Period Income		15,12,723		55,55,947
Prior Period Expenses		41,13,027		8,53,01,390
Net Prior Period Income/(Expenditure)			(26,00,304)	(7,97,45,443)
(LOSS)/PROFIT BEFORE TAX			(11,27,94,360)	(18,32,72,411)
PROVISION FOR TAX				
Current Tax		(51,79,498)		(7,60,11,911)
Deferred Tax{net including ₹ NIL (P.Y. ₹ 55.94 lakh) in respect of earlier years}		2,96,30,872		13,01,62,733
Fringe Benefit Tax		-		-
Wealth Tax		(61,185)		(66,445)
Income Tax / FBT For Earlier Year Written Back		(41,103)		32,89,725
			2,43,49,086	5,73,74,102
Net Loss before Minority Interest			(8,84,45,274)	(12,58,98,309)
Less: Profit/(Loss) attributable to Minority Interest			11,77,126	7,97,114
AMOUNT AVAILABLE FOR APPROPRIATION			(8,96,22,400)	(12,66,95,423)
APPROPRIATIONS				
Proposed Dividend			-	-
Dividend Tax			-	-
Transfer to General Reserve			(8,96,22,400)	(12,66,95,423)
			(8,96,22,400)	(12,66,95,423)
Earning Per Share (Basic) & (Diluted)			(1.04)	(1.64)
(Refer Note No.9(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)

Date : 31st August, 2011
Place : New Delhi

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

Share Capital

Schedule - 1

Particulars	As at 31.3.2011	As at 31.3.2010
	₹	₹
Authorised		
15,00,00,000 Equity Shares of ₹ 10 each (P.Y. 15,00,00,000 Equity Shares of ₹ 10 each)	1,50,00,00,000	1,50,00,00,000
Issued, Subscribed and Paid-up*		
8,57,69,400 Equity Shares of ₹ 10 each fully paid-up (P.Y. 8,57,69,400 Equity Shares of ₹ 10 each fully paid-up)	85,76,94,000	85,76,94,000
TOTAL	85,76,94,000	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 financial year 2009-10 to the President of India at premium or ₹ 30 per equity share.*

Reserves and Surplus

Schedule - 2

	Particulars		As at 31.3.2011	As at 31.3.2010
		₹	₹	₹
1	Capital Reserve (Including Subsidy)		62,97,601	62,97,601
2	Share Premium			
	Opening Balance	54,75,00,000		-
	Add: Addition during the year	-		54,75,00,000
			54,75,00,000	54,75,00,000
3	General Reserve			
	Opening Balance	1,50,06,62,402		1,62,73,57,825
	Add/(Less) : Transferred from Profit & Loss Account	(8,96,22,400)		(12,66,95,423)
			1,41,10,40,002	1,50,06,62,402
	TOTAL		1,96,48,37,603	2,05,44,60,003

Secured Loan

Schedule - 3

	Particulars		As at 31.3.2011	As at 31.3.2010
		₹	₹	₹
1	Secured Loan from Bihar Industries Credit & Investment Corporation Ltd.			
	Principal Amount	83,15,000		83,15,000
	Interest accrued and due	1,12,90,195		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	1,96,05,195
2	Secured Loan from Assam Industrial Development Corporation Limited			
	Principal Amount	90,00,000		90,00,000
	Interest accrued and due including penal interest	1,87,11,896		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)		2,77,11,896	2,59,00,178
	TOTAL		4,73,17,091	4,55,05,373

Fixed Assets

Schedule - 4A

Sl. No.	Particulars	GROSS BLOCK Up to 31.3.2010	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Up to 31.3.2011	DEPRECIATION Up to 31.3.2010	For the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Up to 31.3.2011	NET BLOCK As at 31.3.2011	As at 31.3.2010
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1.	Leasehold Land	3,34,99,843	-	-	3,34,99,843	32,44,776	1,05,847	-	33,50,623*	3,01,49,220	3,02,55,067
2.	Freehold Land	26,24,916	-	-	26,24,916	2,24,426**	-	-	2,24,426	24,00,490	24,00,490
3.	Building and Roads	33,63,33,912	1,45,38,921	2,24,929	35,06,47,904**	15,56,43,033	65,28,656	1,57,932	16,20,13,757	18,86,34,147	18,06,90,879
4.	Sanitary Installations	3,26,74,617	1,18,69,878	12,000	4,45,32,495	2,85,55,190	11,02,513	2,467	2,96,55,236	1,48,77,259	41,19,427
5.	Plant and Machinery	12,91,15,084	1,63,02,771	65,54,172	13,88,63,683	10,13,33,465	42,21,149	61,88,171	9,93,66,443	3,94,97,240	2,77,81,619
6.	Electrical Installations	15,86,79,438	3,32,65,674	86,05,983	18,33,39,129	7,51,46,818	93,23,575	81,75,234	7,62,95,159	10,70,43,970	8,35,32,620
7.	Lifts	2,53,68,721	1,31,74,993	46,46,421	3,38,97,293	2,06,43,910	11,13,856	44,14,100	1,73,43,666	1,65,53,627	47,24,811
8.	Kitchen Equipment	3,92,34,814	12,26,784	1,44,278	4,03,17,320	2,93,24,208	16,61,867	1,30,601	3,08,55,474	94,61,846	99,10,606
9.	Sound System and Musical Instruments	8,30,78,993	1,18,25,791	30,06,711	9,18,98,073	4,37,66,958	62,48,434	24,35,829	4,75,79,563	4,43,18,510	3,93,12,035
10.	Furniture, Fixtures and Furnishings	27,07,28,340	2,85,63,867	40,55,100	29,52,37,107	18,22,81,950	1,36,66,349	36,67,964	19,22,80,335	10,29,56,772	8,84,46,390
11.	Office Equipment including Computers	15,41,10,597	1,36,89,394	45,64,588	16,32,35,403	7,84,96,971	91,01,772	37,18,907	8,38,79,836	7,93,55,567	7,56,13,626
12.	Air-Conditioners, Coolers and Refrigerators	17,36,48,243	1,02,36,035	38,06,341	18,00,77,937	10,33,59,938	54,43,321	30,95,793	10,57,07,466	7,43,70,471	7,02,88,305
13.	Vehicles	2,07,21,622	5,42,928	14,31,865	1,98,32,685	1,14,83,039	15,29,510	12,56,608	1,17,55,941	80,76,744	92,38,583
14.	Intangible Assets-Software	9,50,170	26,18,177	-	35,68,347	1,71,900	8,13,325	-	9,85,225	25,83,122	7,78,270
	Total	1,46,07,69,310	15,78,55,213	3,70,52,388	1,58,15,72,135	83,36,76,582	6,08,60,174	3,32,43,606	86,12,93,150	72,02,78,985	62,70,92,728
	Previous Year	1,36,82,97,327	13,24,88,957	4,00,16,974	1,46,07,69,310	82,46,00,704	4,61,49,860	3,70,73,982	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 (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 amortization of leasehold residential flats at Headquarters before their conversion into Freehold.*

Fixed Assets Not in Active Use

Schedule - 4B

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Up to 31.3.2010	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Cost as on 31.3.2011	Up to 31.3.2010	Additions during the year	Less: Sales, Transfers, Write-Offs and Adjustments during the year	Accumulated Depreciation up to 31.3.2011	Depreciated Value as on 31.3.2011	Net Realisable Value as on 31.3.2011	Balance Provided For
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A. Net Realisable Value is more than Depreciated Value											
Airconditioners, Coolers and Refrigerators	1,440	59,579	-	61,019	1,368	52,997	-	54,365	6,654	6,654	-
Office and Miscellaneous Equipment	9,99,681	47,916	-	10,47,597	9,07,942	6,052	-	9,13,994	1,33,603	1,33,603	-
Furniture, Fixtures & Furnishings	21,29,010	8,539	-	21,37,549	20,23,244	6,630	-	20,29,874	1,07,675	1,07,675	-
Kitchen Equipment	-	1,18,430	-	1,18,430	-	1,08,680	-	1,08,680	9,750	9,750	-
Sanitary Installations	43,15,204	12,000	82,500	42,44,704	42,30,114	11,400	78,375	41,63,139	81,565	81,565	-
Sound System & Musical Instruments	19,20,352	20,84,022	-	40,04,374	18,25,039	17,19,346	-	35,44,385	4,59,989	4,59,989	-
Electrical Installations	793	2,391	-	3,184	754	2,391	-	3,145	39	39	-
Plant and Machinery	60,920	20,620	-	81,540	57,874	15,497	-	73,371	8,169	8,169	-
Vehicles	14,13,688	1,725	6,91,674	7,23,739	13,43,004	1,725	6,57,091	6,87,638	36,101	36,101	-
Total-A	1,08,41,088	23,55,222	7,74,174	1,24,22,136	1,03,89,339	19,24,718	7,35,466	1,15,78,591	8,43,545	8,43,545	-
B. Net Realisable Value is less than Depreciated Value											
Airconditioners, Coolers and Refrigerators	2,11,144	11,40,500	-	13,51,644	1,84,424	9,11,390	-	10,95,814	2,55,830	1,61,597	94,233
Office and Miscellaneous Equipment	4,91,300	10,120	-	5,01,420	2,79,459	5,004	-	2,84,463	2,16,957	2,300	2,14,657
Furniture, Fixtures & Furnishings	6,75,704	-	-	6,75,704	5,77,352	-	-	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	1,349	9,836
Sound System & Musical Instruments	3,84,268	99,656	-	4,83,924	3,62,845	38,531	-	4,01,376	82,548	6,168	76,380
Electrical Installations	13,93,503	47,892	-	14,41,395	7,60,474	45,497	-	8,05,971	6,35,424	4,385	6,31,039
Plant and Machinery	-	18,972	-	18,972	-	18,023	-	18,023	949	500	449
Vehicles	20,38,026	-	9,47,936	10,90,090	18,03,183	-	9,00,540	9,02,643	1,87,447	68,010	1,19,437
TOTAL-B	53,25,523	13,17,140	9,47,936	56,94,727	40,88,130	10,18,445	9,00,540	42,06,035	14,88,692	2,64,175	12,24,517
TOTAL (A+B)	1,61,66,611	36,72,362	17,22,110	1,81,16,863	1,44,47,469	29,43,163	16,36,006	1,57,84,626	23,32,237	11,07,720	12,24,517
PREVIOUS YEAR	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	11,13,117

Capital Work-in-Progress

Schedule - 4C

	Particulars	As at 31.3.2011	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	22,42,79,738	45,76,28,855
2	Expenses Attributed to Projects pending Allocation	2,10,94,013	1,39,91,979
3	Capital Goods-in-Hand and in Transit	15,99,041	24,61,927
		24,69,72,792	47,40,82,761
	- Less:- Provision for Impairment Loss	1,00,576	1,00,576
	TOTAL	*24,68,72,216	47,39,82,185

**It includes ₹ 433.10 lakh (P.Y. ₹ 427.81 lakh) being carried forward for more than five years.*

Investments (at cost)

Schedule - 5

Particulars	As at 31.3.2011	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	25
TOTAL	25	25

Current Assets, Loans and Advances

Schedule - 6

Particulars	₹	₹	As at 31.3.2011 ₹	As at 31.3.2010 ₹
A. CURRENT ASSETS				
I. Interest Accrued on:				
Deposits		7,89,79,628		6,20,27,204
Loans to Employees		37,72,812		45,42,118
			8,27,52,440	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	2,78,23,227			2,53,27,890
Tools	47,935			71,301
Crockery, Cutlery, Glassware and Linen etc.in hand and in use	3,53,72,749			2,24,67,311
Stocks and Stores (Others)	6,44,63,757			6,82,91,899
Goods-in-transit	-			63,90,468
		12,77,07,668		12,25,48,869
Less : Provision for Inventory Write Down		81,78,137		83,23,687
			11,95,29,531	11,42,25,182
III. Sundry Debtors:				
Debtors outstanding for a period exceeding six months:-				
Considered Good (Secured)	1,66,98,061			38,08,556
Considered Good (Unsecured)	19,72,99,872			26,41,77,185
Considered Doubtful	25,12,83,803			19,06,86,634
		46,52,81,736		45,86,72,375
Other Debtors:				
Considered Good (Secured)	3,77,49,344			2,47,86,950
Considered Good (Unsecured)	68,60,64,720			44,60,13,849
Considered Doubtful (Unsecured)	-			-
		72,38,14,064		47,08,00,799
		1,18,90,95,800		92,94,73,174
Less: Provision for Doubtful Debts		25,12,83,803		19,06,86,634
			93,78,11,997	73,87,86,540
IV. Cash and Bank Balances:				
Cash balance on hand (Including Imprest & Foreign Currency Notes)		24,63,711		26,39,542
Cheques in hand		1,74,45,930		4,33,83,943
Remittances in transit		-		9,85,424
Balance with Scheduled Banks:				
In Current Accounts		35,98,19,570		28,06,52,549
In Deposit Accounts [includes Fixed Deposits of ₹ 32.73 lakh (P.Y. ₹ 5.17 lakh) lodged as security]		2,37,94,11,707		2,72,98,94,984
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 ₹ 1.23 lakh (P.Y. ₹ 1.23 lakh)]				
Less:- Provision for Doubtful Recovery	1,22,956	-		1,22,956
			2,75,91,40,918	3,05,75,56,442

Particulars	₹	₹	As at 31.3.2011 ₹	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)		6,64,938		7,95,767
Unsecured:				
Considered Good (Recoverable from Subsidiaries)*	2,08,00,000			2,08,00,000
Considered Good (Others)	24,42,07,515			37,57,07,486
Considered Doubtful (Recoverable from Subsidiaries	-			-
Considered Doubtful (Others)	4,46,55,039			3,69,17,778
	30,96,62,554			43,34,25,264
Less: Provision for Doubtful Advances	4,46,55,039			3,69,17,778
		26,50,07,515		39,65,07,486
Security Deposits				
Considered Good	2,06,18,317			2,22,76,592
Considered Doubtful	24,76,355			24,76,355
	2,30,94,672			2,47,52,947
Less: Provision for Doubtful Security	24,76,355			24,76,355
		2,06,18,317		2,22,76,592
Advance Income Tax and Tax Deducted at Source		39,59,60,461		32,73,29,660
Sales Tax paid in Advance		1,94,484		1,04,021
			68,24,45,715	74,70,13,526
TOTAL			4,58,16,80,601	4,72,41,51,012

* Refer Note 6(f) to Notes to Accounts. (Schedule-12)

Current Liabilities and Provisions

Schedule - 7

Particulars			As at 31.3.2011	As at 31.3.2010
	₹	₹	₹	₹
A. CURRENT LIABILITIES				
Sundry Creditors			1,26,18,31,246	1,14,55,54,022
Security Deposits and Retention Money			33,38,43,586	31,27,20,767
Advances from Customers			67,09,75,158	98,94,81,035
Other Liabilities			23,58,75,673	16,76,08,219
			2,50,25,25,663	2,61,53,64,043
B. PROVISIONS				
For Leave Encashment		33,16,75,549		29,60,91,037
Less : Fund size of investment with LIC		35,84,818		29,87,627
			32,80,90,731	29,31,03,410
For Income Tax			70,23,498	7,60,11,911
For Wealth Tax			61,185	66,445
For Retirement Gratuity		70,51,80,030		58,97,02,117
Less : Fund size of investment as per Gratuity Policy		56,46,39,461		43,59,99,609
			14,05,40,569	15,37,02,508
			47,57,15,983	52,28,84,274
TOTAL			2,97,82,41,646	3,13,82,48,317

Sales, Income from Services Rendered and Other Income

Schedule - 8

Particulars		Year ended 31.3.2011	Year ended 31.3.2010
	₹	₹	₹
A. SALES LESS RETURNS			
Food	57,12,56,777		44,42,95,401
Beer, Wine & Spirits	20,29,98,229		18,94,45,575
Cigars and Cigarettes	1,69,98,285		1,98,91,547
Soft Drinks	2,68,39,810		2,74,74,661
Cameras, Watches and Tape Recorders	7,280		3,28,787
Perfumes	54,957		1,80,975
Petrol, Oil and Lubricants	9,30,15,303		8,34,34,548
Miscellaneous Sales	95,50,884		1,05,67,984
		92,07,21,525	77,56,19,478
B. INCOME FROM SERVICES RENDERED			
Room Rent	1,46,55,74,730		1,12,13,66,095
Licence Fee	38,08,09,344		25,25,40,274
Traffic Earnings and Package Tours	13,04,35,206		11,60,83,788
Son-et-Lumiere & Cultural Shows	81,99,247		71,65,381
Electricity Charges	4,47,50,825		3,71,03,736
Telephone Services	12,35,907		11,50,925
Advertisement Income	1,26,99,384		94,44,668
Revenue from execution of Projects	15,79,79,352		4,98,02,591
Management/Consultancy /Event Mgt./Training Fees	14,84,45,086		12,85,72,404
Money Changing Business (Net)	11,665		6,165
Travel Services	53,69,81,834		33,91,35,278
Service Charges	4,24,74,189		2,88,75,037
		2,92,95,96,769	2,09,12,46,342
C. OTHER INCOME			
Interest (Gross) from:-			
Banks / Financial institutions	19,07,05,080		20,73,93,249
Loans to Employees	94,724		1,26,363
On Income Tax Refunds	-		30,35,330
Others	33,384		8,20,505
[Tax deducted at source ₹ 195.33 lakh (P.Y. ₹ 328.87 lakh)]		19,08,33,188	21,13,75,447
Dividend received from Subsidiary Companies(Gross)	-		10,18,860
Profit on Sale of Assets	5,37,999		16,77,784
Product Incentive	-		2,29,314
Gain on Foreign Exchange Variation	27,16,831		20,36,457
Grant from Ministry of Tourism	1,16,329		9,21,117
Miscellaneous Income	6,07,01,027		6,84,65,244
		6,40,72,186	7,33,29,916
TOTAL		4,10,52,23,668	3,15,25,90,043

Cost of Material and Services

Schedule - 9

Particulars			Year ended 31.3.2011	Year ended 31.3.2010
	₹	₹	₹	₹
Cost of Consumption of Raw Materials, Other Materials Sold and Services Rendered				
a. Provisions, Beverages & Smokes				
Opening Stock		1,57,22,944		1,17,53,580
Purchases and Adjustments (including value of own production)		20,97,42,418		17,92,00,017
		22,54,65,362		19,09,53,597
Less: Transfers and Adjustments (at cost)	3,27,99,107			2,05,46,442
Closing Stock	94,66,506			1,57,22,944
		4,22,65,613		3,62,69,386
			18,31,99,749	15,46,84,211
b. Wines and Liquors				
Opening Stock		4,51,62,175		3,92,27,115
Purchases and Adjustments		10,25,56,443		7,05,78,264
		14,77,18,618		10,98,05,379
Less: Transfers and Adjustments (at cost)	3,35,53,752			1,40,15,273
Closing Stock	4,76,44,412			4,51,62,175
		8,11,98,164		5,91,77,448
			6,65,20,454	5,06,27,931
c. Other Materials				
Opening Stock		63,52,628		74,14,088
Purchases and Adjustments		10,21,49,130		9,50,52,711
		10,85,01,758		10,24,66,799
Less: Transfers and Adjustments (at cost)	92,518			39,95,495
Closing Stock	63,32,999			63,52,628
		64,25,517		1,03,48,123
			10,20,76,241	9,21,18,676
d. Cost of Services Rendered/Purchased				
Execution of Projects		14,25,29,563		3,67,40,477
Other Services		6,99,51,529		8,03,47,482
			21,24,81,092	11,70,87,959
TOTAL			56,42,77,536	41,45,18,777

Employees' Remuneration and Benefits

Schedule - 10

Particulars	Year ended 31.3.2011	Year ended 31.3.2010
	₹	₹
Salaries, Wages & Bonus	1,23,11,21,624	1,19,64,72,590
Employer's Contribution to Provident & Other Funds	9,53,85,776	10,40,16,714
Staff Welfare Expenses (Including contribution to Staff Welfare Fund)	9,02,19,709	7,28,10,351
Uniforms	63,95,631	71,45,852
Deferred Revenue Expenditure (VRS) Written Off	-	2,18,96,585
Provision/contribution to Employees' Gratuity Scheme (Net)*	12,58,93,747	11,22,43,378
	1,54,90,16,487	1,51,45,85,470
Less : Charged to the projects of the Ministry of Tourism	48,95,306	37,13,256
Charged to the Ministry of External Affairs	2,40,85,802	2,01,36,731
TOTAL	1,52,00,35,379	1,49,07,35,483

**Refer Note 9(ii) (c) to Notes to Accounts. (Schedule-12)*

Operating and Other Expenses

Schedule - 11

Particulars		Year ended 31.3.2011	Year ended 31.3.2010
	₹	₹	₹
Travelling and Conveyance			
(a) Directors	10,32,742		19,77,325
(b) Officers and Staff	1,70,57,033		1,62,12,842
(c) Staff Car Expenses	62,77,793		48,51,911
		2,43,67,568	2,30,42,078
Rent, Rates, Taxes and Insurance			
(a) Rent	6,26,28,082		6,43,20,764
(b) Rates & Taxes	2,93,65,754		2,71,50,689
(c) Insurance	78,16,594		40,94,371
		9,98,10,430	9,55,65,824
Repairs and Maintenance			
(a) Plant and Machinery	5,18,17,281		4,45,85,507
(b) Buildings	34,36,57,478		8,38,30,910
(c) Vehicles	11,85,951		14,36,628
(d) Others	15,39,64,311		6,88,81,229
		55,06,25,021	19,87,34,274
Auditors' Remuneration (Including Branch Auditors)			
(a) Audit Fees	12,88,950		10,33,383
(b) In other capacity in respect of :			
(i) Tax Audit Fees	3,79,542		2,73,004
(ii) Certification	45,223		1,52,766
iii) Out of Pocket Expenses	4,320		3,670
		17,18,035	14,62,823
Directors' Sitting Fee		2,000	33,000
Legal and Professional Charges		1,17,51,484	1,39,06,487
Printing, Stationery and Periodicals		1,28,26,040	1,41,25,690
Communication Expenses		1,14,60,950	1,22,43,195
Power and Fuel		22,78,30,546	20,44,14,580
Advertisement, Publicity & Sales Promotion		2,55,63,309	3,53,41,972
Entertainment		19,36,280	24,31,690
Band and Music		46,21,316	46,06,779
Expenses on Cultural Shows		16,43,009	14,21,888
Commission to Travel Agents/Credit Card Companies		48,74,334	51,08,469
Licencees' share of profit		4,45,87,659	5,29,22,395
Miscellaneous Expenses		1,62,82,107	94,90,047
Upkeep, Service Cost and Other Operating Expenses		87,92,31,755	61,66,75,536
Loss on Sale of Fixed Assets/ W.Off of Assets		2,48,356	2,11,738
Loss on Collaboration Ventures		-	-
Depletion / Consumption & Breakages in Crockery, Cutlery & Utencils etc		48,04,484	50,20,135
Bad Debts		10,01,716	10,85,298
Advances Written Off		9,69,66,110	-
Provision for Doubtful Debts & Advances		6,83,31,436	3,57,67,668
Provision for Diminuition in Fixed Assets		2,46,465	1,91,533
Provision for Inventory Write Down/write off of inventory		75,733	9,75,930
TOTAL 'A'		2,09,08,06,143	1,33,47,79,029
LESS:			
Charged to the Projects of the Ministry of Tourism	9,67,593		10,15,615
Charged to the Ministry of External Affairs	1,45,79,037		1,14,09,642
Departmental Expenses Charged to ITDC Units	2,60,789		3,17,497
TOTAL 'B'		1,58,07,419	1,27,42,754
TOTAL 'A-B'		2,07,49,98,724	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 & Loss Statement.

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

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

b) Depreciation

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

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

ii) On addition in the Fixed Assets during the period from 01.04.1987 to 15.12.1993, at the pre-revised rates as per the Schedule XIV of the Companies Act, 1956.

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

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

The rates at which depreciation has been charged are given 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).

iii) 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 arise. Exchange differences on liabilities relating to fixed assets acquired from outside India are added to the cost of such assets.

b) Money Changing Business

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

ii) Foreign currency balances as at close of the year are converted at the year end rates.

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

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 *Contd.*

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 fianancial statements of the Company and its subsidiaries are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses and minority interest have been separately disclosed.

ii) The consolidated financial statements include the interest of the Company in joint ventures, which have been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the Notes to the Accounts.

1.2 The list of Subsidiary Companies and Joint Ventures considered in the preparation of the consolidated Financial Statements of ITDC Limited is as under:

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

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

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

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

(Amount in ₹)

	Current Year	Previous Year
Fixed Assets	NIL	NIL
Current Assets	46,49,461	43,94,814
Current Liabilities	2,88,48,658	2,85,71,424
Provisions- Income Tax	NIL	3,410
Accumulated Losses	2,45,51,775	2,45,13,988
Income	NIL	15,111
Expenses-Operating & Others	19,177	42,177
Prior Period Expenses	NIL	3,858
Profit/(loss) Before Tax	(-)19,177	(-)30,924
Net Profit/(loss) After Tax	(-)19,177	(-)34,334

2. Contingent Liabilities

(₹ in lakh)

(a)	Particulars	Current Year	Previous Year
(i)	Claims against the corporation not acknowledged as debts [includes for Property Tax ₹ 14.71 lakh (P.Y. ₹ 14.71 lakh) demands from custom authority ₹ 21,875.10 lakh (P.Y. 21,874.68 lakh) and are subjudice].	28,813.48	28,828.93
(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).	472.95	2,901.76
(iii)	Guarantees executed in favour of various authorities, banks and financial Institutions	91.58	258.27
(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)	465.42	514.24
(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 Maharastra Sales Tax Tribunal / High Court].	11,948.99	12,040.39
(vii)(a)	Liability towards Service Tax (including interest thereon) pertaining to banqueting, including catering activities, at hotels up to 31.03.2007.	Amount unascertained	Amount unascertained
(b)	Liability towards Work Contract Tax (including interest thereon) pertaining to building repair work carried at units.		

Note No. (1) Contingent Liabilities at Sl. Nos. 2(a)(i), 2(a)(v) & 2(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 ₹ 25.24 lakh (Previous Year ₹ 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. 01.01.1992. 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.

(e) The wage revision of employees of Hotel Lake View Ashok is due w.e.f. 1.1.2007. Negotiation was held with management and union. No formal agreement was made with union and management. The Board has approved in principle to authorize the Managing Director, MPAHCL to sanction up to 2.5% hike from the management offer i.e. 25% fitment benefit and 20% allowance. This was not agreed by the union. Under the circumstances, we are unable to fix actual liability on account of Arrears of wage revision. However, apprx Liability on revision may be ₹ 30.00 lakh, pending above no provision in the Accounts has been considered.

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 ₹ 1779.49 lakh (P.Y. ₹ 1779.49 lakh).

(b) The Employees' State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totalling ₹ 682.43 lakh (P.Y. ₹ 660.23 lakh) towards ESI dues in respect of five hotel/catering units against which the corporation holds a deposit of ₹ 319.32 lakh (P.Y. ₹ 319.32 lakh) (included in Loans and Advances) with the said authorities (made up of amounts withdrawn by the authorities after freezing bank accounts- ₹ 302.22 lakh and amount deposited ₹ 17.10 lakh). Against this, the corporation holds a liability of ₹ 194.42 lakh (P.Y. ₹ 194.42 lakh) towards ESI dues. No provision has been made for the balance of ₹ 488.01 lakh (P.Y. ₹ 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. 2(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 28.02.2007. Pending determination by the Local Commissioner of the amount payable no provision has been made in the accounts.

(d) Rental agreement with Life Insurance Corporation of India (LIC) expired on 25.07.2005 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 26.07.2005 to 22.02.2008 and ₹ 100/- per sq.feet for the period from 23.02.2008 to 31/03/2010 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 2 (a) (i) above.

(e) A case was filed by Ms. S.L. Beer, an Australian resident, in 1982 in Hon'ble Delhi High Court. She had sustained injury at the erstwhile Akbar Hotel Swimming Pool on 05.05.1978. She filed the case against the Corporation claiming ₹ 2.00 crore by way of damages plus interest @ 18%. The Single Bench of the Hon'ble Delhi High Court passed an order dated 03.03.2011 in favour of the plaintiff awarding ₹ 1.82 crore along with simple interest @ 6% w.e.f. 22.01.1982 till the date of the decree and further simple interest on the said amount @ 10% p.a. till its realisation. Aggrieved from the above judgement, ITDC has filed an appeal before the Divisional Bench of Hon'ble Delhi High Court. The Hon'ble Court vide order dated 19.07.2011, while staying the above judgement and execution proceedings, has directed ITDC to deposit an amount of ₹ 499.59 lakh, the decreetal amount with the Registrar General of the Delhi High Court. Accordingly, ITDC has deposited the said amount during the F/Y 2011-12 with the court. Therefore pending finalisation in the matter, no provision has been made in the Accounts for F/Y 2010-11 and the amount of ₹ 499.59 lakh has been included as Contingent Liability at 2(a)(i) above.

(f) Sundry creditors include unlinked receipts from customers etc. of ₹ 83.35 lakh (P.Y. ₹ 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 2010-11 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 31.03.11 of ₹ 212.32 lakh (Previous Year ₹ 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 11.01.2010, 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 ₹ 4,841.59 lakh (P.Y. ₹ 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	Previous Year
(i) Debts due from Directors and officers of the Corporation.	0.16	0.16
Maximum amount due from Directors and officers of the Corporation during the year	0.16	0.88
(ii) Advances due from Directors and officers of the Corporation	11.14	13.94
Maximum amount due from Directors and officers of the Corporation during the year	15.92	30.54

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

(e) Loans and Advances includes ₹ 142.64 lakh being recoverable from M/s Paul Mech (lessee) on account of VRS (compensation) including terminal benefits in respect of 29 employees of Hotel Nilachal Ashok, Puri.

(f) ₹ 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 31.3.2011.The net gain of ₹ 0.58 lakh (previous year 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 31.03.1991 in view of non-availability of exchange rate.

(b) Interest on deferred payments from M/s NBCC from 01.4.1994 onwards regarding Iraq project has not been accounted for in the absence of advice from NBCC.

(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) Deferred 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 ₹ 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
ii) Less:- Amount written off during the year	-	2.98
iii) Closing Balance	-	-

2 Employees' Remuneration and Benefits also include ₹ NIL lakh (P.Y. ₹ 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
ii) Less:- Amount written off during the year	-	93.59
iii) Closing Balance	-	-

3 Employees' Remuneration and Benefits also include ₹ NIL lakh (P.Y. ₹ 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	Previous 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 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.

(f) Expenses on generation of power :-

(₹ in lakh)

Particulars	Current Year	Previous Year
Salaries and Wages	5.75	3.08
Fuel	69.23	48.24
Depreciation	10.49	7.31
Repairs	27.43	14.03
Total	112.90	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	Previous Year
Opening Balance	139.91	120.12
Add:-		
Other Project Overheads	70.77	19.53
Depreciation/Amortisation of Lease	0.26	0.26
Less: Capitalised during the year	-	-
Closing Balance [see Schedule 4(c)]	210.94	139.91

(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	Previous Year
Income:		
1 Beer, Wine and Spirit Sales	-	(0.40)
2 Income from Services Rendered : Room Rent/Licence Fee	16.34	139.29
Consultancy	8.50	-
3 Others :		
Employees' Remuneration and Benefits	0.41	0.92
Rent Recovery	-	0.26
Miscellaneous Income	0.36	(84.51)
Cost of Sales	(8.60)	-
Income from Hired Vehicles	0.96	-
Depreciation	0.48	-
Interest	(0.19)	-
Electricity & Water Charges	(3.13)	-
Total	15.13	55.56
Expenditure:		
1 Cost of consumption of Raw Material, other materials sold and services	(1.24)	(49.92)
2 Employees' Remuneration and Benefits	6.82	13.81
3 Travelling and Conveyance	2.78	0.53
4 Rent, Rates, Taxes and Insurance	0.33	866.87
5 Repairs and Maintenance	16.60	8.83
6 Legal and Professional Charges	0.99	1.60
7 Printing, Stationery and Periodicals	0.20	0.15
8 Communication Expenses	0.21	1.58
9 Power and Fuel	0.63	1.83
10 Advertisement, Publicity and Sales Promotion	0.22	0.43
11 Sundry Expenses	5.10	7.61
12 Upkeep and Service Cost and Other Operating Expenses	6.08	(2.77)
13 Depreciation	1.14	0.22
14 Newspaper, Books & Magazines	0.03	0.18
15 Payment to Hired Vehicles	0.88	0.03
16 Membership & Subscription	0.11	1.00
17 Hire Charges	-	1.00
18 Entertainment Expenditure	-	0.03
19 Insurance Exp.	0.22	-
20 Audit Fee	0.03	-
Total	41.13	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	Previous Year
1 Provision for Doubtful Debts and Advances	-0.60	58.28
2 Depreciation	2.27	1.00
3 Cost of Material Sold and Services Rendered	1.10	16.82
4 Salaries Wages and Benefits	51.64	64.11
5 Repairs and Maintenance	3.54	15.81
6 Upkeep & Service Cost	4.45	27.55
7 Other Operating and Administrative Expenses	2.06	3.63
8 Provision for Diminution in Fixed Assets	-	1.56
9 Provision for Inventory Written Down	0.40	3.89
10 Legal & Professional Charges	0.02	0.03
11 Rates & Taxes	-	0.25
12 Communication Exp.	2.35	-
13 Printing Charges	0.19	-
14 Loss on Sale of Assets	0.20	-
Total	67.62	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 ₹ 11.35 lakh (Previous Year ₹ 20.56 lakh) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of ₹ 1.16 lakh incurred during the year has been charged to the respective head of expenditure and ₹ 5.25 lakh is received during the year in Ranchi Ashok Bihar Hotel Corporation Limited. The amount equivalent to the grant related cost incurred during the year has accordingly been recognised as income. The balance of ₹ 15.44 lakh (Previous Year ₹ 11.35 lakh) at the close of the year has been presented in the accounts as Deferred Government Grant after Reserve and Surplus.

(m) ₹ 4,570.98 lakh (Previous Year ₹ 1,629.88 lakh) spent on renovation during the year at various hotels has been segregated as relating to capital ₹ 994.14 lakh (Previous Year ₹ 1,116.96 lakh) and revenue expenditure ₹ 3,576.84 lakh (Previous Year ₹ 512.92 Lakh) based on certificate issued by the Project engineer and which have been relied upon by the auditors.

(n) 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.

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

(p) Company entered into an Agreement dt. 19th February, 2002 with M/s Maruti Udyog Ltd. for renewal of Sub-Lease from 1st February, 2002 to 31st January, 2011 and another period of nine years thereafter subject to enhancement of rent in respect of the property comprising of Workshop cum Depot constructed on Plot No. C-119 Naraina Industrial Area Phase-I, New Delhi. As per terms of agreement the entire rent for a period of 9 years was paid by Maruti Udyog Ltd. in advance. During the currency of the lease period, M/s Maruti Udyog Ltd. carried out additional construction in the said premises and in the process the Workshop cum Depot that had been let out was demolished and rendered extinct which was neither envisaged nor intended in the Sub-Lease Agreement. Therefore, a legal notice dt. 14th June, 2010 was given to Maruti Udyog Ltd to vacate the premises w.e.f. 1.7.2010. The balance amount of advance rent lying with ITDC amounting to ₹ 25,01,849/- was accordingly returned to M/s Maruti Udyog Ltd. Applications dt. 1.7.2010 was filed by ITDC for eviction of premises and recovery of damages under Public Premises (Eviction of Unauthorized Occupants) Act, 1971 before H'ble Estate Officer. In the meanwhile Maruti Udyog Ltd. filed a writ petition in H'ble Delhi High Court against the eviction and recovery applications of ITDC which has been stayed by the Hon'ble High Court. Pending legal proceedings in the matter, the premises has not yet been vacated by M/s Maruti Udyog Ltd.

(q) An amount of ₹ 191.36 lakh on account of reimbursment of indirect expenses for the year 2005-06 to 2010-11 is receivable from the Ministry of External Affairs. The same has been accounted for on the basis of 15% as per previous aggreement. In term, of new agreement dated 22nd July, 2011 entered between the company and M.E.A, the same will be claim on actual/ prorata basis. The difference, if any shall be accounted for in the year 2011-12.

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 31.03.2001. 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. Further the Ministry of Tourism got the claim of ITDC examined in consultation with IF Division of the Ministry and has communicated vide their letter no. 12/1/2005-PSU(T) dt. 9.07.2007 the following observation of IF Division

"The proposal of ITDC had been received in IF Division and the claim of ITDC was not accepted."

Although Company took up the matter with the Ministry of Tourism (MoT) yet there has not been any favourable response from the Ministry. Accordingly, Board of Directors of the Company in its meeting held on 24.08.2011 decided to Write-off above amount in the Books of Accounts for the year 2010-11(₹ 1,326.12 lakh due from 15 Transferee companies in respect of disinvested units of ITDC less ₹ 356.45 lakh due to 3 transferee companies.)

(c) Regarding the claim for the period from 1.4.2000 to 31.03.2001 - ₹ 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. (i) Disclosure in accordance with Accounting Standard- 7 - Construction Contracts

(₹ in lakh)

a)	Aggregate amount of Revenue Recognised up to the reporting date	11,937.59
b)	Aggregate cost incurred up to reporting date	10,566.08
c)	Revenue recognised during the current financial year	1,579.80
d)	Cost incurred during the financial year	1,425.30
e)	Total amount of funds received up to the Reporting date	15,789.78
f)	Advance due to customers up to Reporting Date	4,356.19
g)	Advance due from Customers up to Reporting Date	551.91

(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 1.04.10	58,97,02,117	29,60,91,036
ii.	Current service cost	2,89,25,770	1,63,37,992
iii.	Interest cost	4,70,32,440	2,36,07,163
iv.	Acturial gain(-) / losses(+)	8,33,50,208	(39,74,512)
v.	Past service cost	1,19,938	-
vi.	Benefits paid	(4,39,50,443)	(3,86,130)
vii.	Present value of projected benefit obligation as on 31.03.2011	70,51,80,030	33,16,75,549
	Reconciliation of fair value of Assets and obligations		
i.	Fair value of plan assets as on 1.04.2010	43,59,99,609	29,87,627
ii.	Acquisition adjustment	-	-
iii.	Expected return on plan assets	3,33,99,655	2,73,368
iv.	Actual Company's contribution	13,88,04,985	3,16,370
v.	Acturial gain (-) / losses(+)	4,01,834	7,453
vi.	Benefits paid	(4,39,66,622)	-
vii.	Fair value of plan assets as on 31.03.2011	56,46,39,461	35,84,818
viii.	Present value of defined obligation	70,51,80,030	33,16,75,549
ix.	Net liability recognised in the Balance Sheet (Schedule-7)	14,05,40,569	32,80,90,731
	Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2011		
i.	Current service cost	2,89,25,770	1,63,37,992
ii.	Interest cost	4,70,32,440	2,36,07,162
iii.	Acturial gain(-) / losses(+)	7,93,50,283	(39,81,965)
iv.	Past service cost	1,19,938	-
v.	Expected return on plan assets	(2,98,01,566)	(2,73,368)
	Total	12,56,26,865	3,56,89,821
	Employees Remuneration & Benefit charged to Profit & Loss A/c- a) Gratuity	12,56,26,865	-
	b)- others	2,66,882	3,57,08,961

	Gratuity Fund Investment details (Fund manager wise, to the extent funded)		
		As on 31.03.2011	As on 31.03.2011
	Life Insurance Corporation of India	25,51,25,406	-
	Life Insurance Corporation of India	16,10,91,736	-
	Metlife Traditional Fund	4,00,19,728	-
	Metlife Unit linked	2,00,08,344	-
	AVIVA Life Insurance Company India Ltd.	4,35,78,807	-
	HDFC Standard Life Insurance	2,19,56,878	-
	Total	54,17,80,899	-
	Acturial assumption		
i.	Discount rate	8.00% per annum	8.00% per annum
ii.	Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
iii.	Withdrawal rate (18-30 years)	0.00% p.a.	0.00% p.a.
	Withdrawal rate (31-44 years)	1.00% p.a.	1.00% p.a.
	Withdrawal rate (45-58 years)	3.00% p.a.	3.00% p.a.
iv.	Expected rate of plan assets	6.70%	NIL
v.	Future salary increase	5.00% p.a.	5.00% p.a.
vi	Retirement age	58 years	58 years

The payment of Gratuity Act,1972 was amended w.e.f. 24.05.2010. The maximun ceiling of Gratuity was raised from ₹ 3.50 lakh to ₹ 10.00 lakh. Accordingly an amount of ₹ 235.84 lakh has been included under the head Salary Wages & Benefits towards differential of Gratuity due to employees who have separated from the Corporation w.e.f 24.05.2010 to 28.02.2011

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. 21.04.2010.
2. Mr. Sanjay Kothari, Ex. C&MD
from 01.12.2009 to 21.04.2010.
3. Mr. P.K. Agarwal, Director (Finance)
w.e.f. 29.07.2010.
4. Mr. Rajiv Makin, Ex Director (C&M)
w.e.f. 17.10.2008 to 31.07.2010.

Payment made to key management personnels and their relatives :

(Amount in ₹)

	Current Year	Previous Year
Remuneration	54,92,490	35,14,119

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 :-

(Amount in ₹)

Particulars	31st March, 2011	31st March, 2010
BASIC & DILUTED		
Net Profit/ (Loss) available for Equity Shareholders	(8,96,22,400)	(12,66,95,423)
Weighted Number of Equity Shares of ₹ 10 each	8,57,69,400	7,74,69,400
Basic & Diluted earnings per share	(1.04)	(1.64)

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

The major components of Deferred Tax asset (net) as on 31.3.2011 are given below:-

(₹ in lakh)

Particulars	31st March, 2011		31st March, 2010	
DEFFERED TAX LIABILITIES				
1 Depreciation		634.17		635.49
DEFFERED TAX ASSETS				
1 Carried forward business loss	932.66		34.13	
2 Provision for Gratuity	443.88		496.02	
3 Provision for Doubtful Debts & Advances & Inventory write down	934.22		732.07	
4 Disallowances under Income Tax Act, 1961	1,601.24		2,354.80	
		3912.00		3617.02
DEFERRED TAX ASSETS (NET)		3,277.83		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 31.3.2011 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, 2011, 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 **Annexure "C"** attached.

10. 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	576.30	403.67
ii) Cigars and cigarettes	81.65	261.96
iii) Other items:		
Perfumes	-	0.19
iv) Capital Goods	-	279.61
Total	657.95	945.43

b) Expenditure in Foreign Currency :-

(₹ in lakh)

Particulars	Current Year	Previous Year
Travelling	10.99	8.39
Total	10.99	8.39

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

(₹ in lakh)

Particulars	Current Year	Previous Year
i) Boarding, Lodging and other Facilities	623.35	952.68
ii) Sale of Goods at Duty Free Shops	768.32	540.40
v) Gain in Foreign Exchange(net)	27.17	20.36
Total	1,418.84	1,513.44

(d) Remuneration paid to the Directors:

(Amount in ₹)

Particulars	C&MD Directors	Other	Total	Previous Year
i) Salary & Allowances	12,69,594	40,03,183	52,72,777	33,04,670
ii) Employer's Contribution to Provident Fund	-	1,77,242	1,77,242	1,46,384
iii) Other Perquisites (as per IT rules)	42,471	-	42,471	63,065
Total	13,12,065	41,80,425	54,92,490	35,14,119

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).

(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 No46/180/2009-CL-III of the Ministry of Corporate Affairs dated 02.07.2009 for the financial years 2008-09 to 2010-11.

11 "The Utkal Ashok Hotel Corporation Limited, Puri was incurring huge loss since its inception and was not even generating enough revenue to meet its operational expenses and had no viability to be run as a commercial entity. The Board of Directors in their meeting held on 23rd March, 2004, after reviewing the performance in view of the losses standing at ₹ 946.20 lakh up to 31.03.2003 had resolved to temporarily close down the commercial operation of the unit effective from March 2004. Subsequently, the Govt. of India directed ITDC to examine various options including long term lease in respect of Hotel 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 26.05.2007 allowed Utkal Ashok Hotel Corpn., Puri to sublease the land for a period of 40 years. The Board in its meeting held on 09.06.2008 approved the proposal of leasing out the

joint venture hotel property at Puri on lease-cum-Management basis for a period of 40 years. The Committee formed for this purpose has already floated the tender and the tender was awarded to M/s Paulmech Infrastructure Pvt. Ltd. for 40 years lease. The letter of indent has been issued to the lessee and the execution of formal agreement is in progress.

Therefore in view of the position stated above efforts have been made to revive the hotel unit of the company at Puri to run it in a commercially viable manner. The management had at no point of time intentions to close the unit permanently. In view of the temporary suspension of commercial activities and further in view of the revival process in progress as stated above the Annual Accounts for the year 2010-11 have been prepared on "Going Concern" basis/assumption."

12. The Company Punjab Ashok Hotel Ltd. was incorporated on 11th November 1998. The only Hotel of the Subsidiary is under construction. The Hotel building is being constructed on Land measuring 5 Acres was provided by the Government of Punjab during 1998-99. Agreement for the same was executed on 30.03.2000. Accordingly the company has been granted lease hold rights for 99 years. There was no commercial activity during the Financial Year 2010-11. The construction work of company's hotel project at Anandpur Sahib has been at a standstill for quite some time for paucity of funds.

13. 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 : 31st August, 2011
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. 9 (iii)}

Segment Reporting-AS-17

(₹ in lakh)

	Hotel/Restaurants Operations		Duty Free Shops Operations		Travels & Tours Operations		ARMS & Misc. Operations		Construction, Consultancy & SEL Projects		Others		Total for Company	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
PRIMARY DISCLOSURE (Operation-wise)														
1 Segment Revenue														
a) Total Revenue	27,327.17	21,307.28	837.06	558.51	7,898.25	5,660.10	1,318.50	1,518.36	2,231.83	764.95	2,029.43	2,264.21	41,642.24	32,073.41
b) Less Inter Segment Revenue	70.09	85.21	-	-	184.67	109.57	335.24	352.73	-	-	-	-	590.00	547.51
c) External Revenue	27,257.08	21,222.07	837.06	558.51	7,713.58	5,550.53	983.26	1,165.63	2,231.83	764.95	2,029.43	2,264.21	41,052.24	31,525.90
2 Segment Results														
Profit/(Loss) before Interest, Tax and Overheads	1,061.42	(526.12)	(181.24)	(168.25)	(44.90)	(160.54)	(82.25)	103.64	(292.37)	(676.50)	2,028.63	2,433.70	2,489.29	1,005.93
Less: Allocable Corporate Overheads	-	-	-	-	-	-	-	-	-	-	3,596.89	2,818.69	3,596.89	2,818.69
Less: Interest	20.34	19.94	-	-	-	-	-	-	-	-	-	0.03	20.34	19.97
Less: Provision for Income Tax	51.80	40.09	-	-	-	-	-	0.03	-	-	-	720.00	51.80	760.12
Less: Provision for Wealth Tax	-	-	-	-	-	-	-	-	-	-	0.61	0.66	0.61	0.66
Less: Provision for Deferred Tax	16.27	7.51	-	-	-	-	-	-	-	-	(312.58)	(1,309.14)	(296.31)	(1,301.63)
Add: Provision for Income Tax for earlier year written back	(3.03)	1.32	-	-	-	-	-	-	-	-	2.62	31.58	(0.41)	32.90
Profit/(Loss) available for Appropriation	969.98	(592.34)	(181.24)	(168.25)	(44.90)	(160.54)	(82.25)	103.61	(292.37)	(676.50)	(1,253.67)	235.04	(884.45)	(1,258.98)
3 Segment Assets	18,856.35	16,319.50	729.89	879.43	2,385.55	1,431.10	1,032.96	1,461.91	2,760.41	5,096.31	29,734.23	33,069.76	55,499.39	58,258.01
(Current assets plus fixed assets, WIP and Investments))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Segment Liabilities	18,661.88	16,997.24	862.72	953.89	2,170.32	1287.08	1,110.71	3,458.50	10,598.05	9,915.93	(3,621.26)	(1,230.16)	29,782.42	31,382.48
5 Depreciation & Amortisation in Respect of Segment Assets for the period	563.05	422.54	1.47	0.29	14.81	15.47	3.68	1.73	1.12	0.95	24.20	20.25	608.33	461.23
6 Cost incurred during the period to Acquire Segment Assets (Tangible & Intangible fixed assets)	1,500.87	1,300.53	41.96	1.16	1.54	0.17	8.48	1.92	2.64	0.14	23.06	20.97	1,578.55	1,324.89
7 Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment	1,736.52	969.59	12.90	2.63	111.48	80.19	141.15	68.85	88.85	182.73	211.66	466.09	2,302.56	1,770.08

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

Annexure - C

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

(₹ in lakh)

Name of Provision	Opening Balance as on 01-04-2010	Provided during the year relating to 2010-11	Provided during the year relating to 2009-10	Payments/ Adjustment during the year	Provision Reversed/ written back	Closing balance as on 31-03-2011
Income Tax	760.12	51.79	1.83	740.88	2.63	70.23
Wealth Tax	0.66	0.61	-	0.66	-	0.61
TOTAL	760.78	52.40	1.83	741.54	2.63	70.84

Cash Flow Statement for the Year ended 31st March, 2011

	Particulars	Year ended 31.3.2011	Year ended 31.3.2010
		₹	₹
A	Cash Flow from Operating Activities		
	Net profit/(Loss) before Tax, Prior Period & Extraordinary Items	(11,69,56,128)	(12,28,20,375)
	Adjustments for:		
	Depreciation	6,08,33,576	4,61,23,262
	Deferred Revenue Expenditure Written Off	-	2,18,96,585
	Diminution in Value of Fixed Assets	1,11,400	(77,355)
	Interest Expense on Loans	(20,34,581)	19,96,621
	Interest Income	(19,08,33,188)	(21,13,75,447)
	Dividend income	-	(10,18,860)
	Deferred Government Grant	(1,16,329)	(9,21,117)
	(Profit)/Loss on Sale of Fixed Assets (Net)	(2,89,643)	(14,66,046)
	Provision for Inventory Write Down	75,733	9,75,930
	Provision for Doubtful Debts and Advances	6,83,31,436	3,57,67,668
	Bad Debts/Advances Written Off	9,79,67,826	10,85,298
	Operating Profit before Working Capital Changes	(7,88,40,736)	(22,98,33,836)
	Adjustments for:		
	Decrease/ (Increase) in Sundry Debtors	(26,83,58,609)	4,55,63,347
	Decrease/ (Increase) in Loans and Advances	3,63,22,965	(16,59,297)
	Decrease/ (Increase) in Inventories	(53,80,082)	(1,20,59,459)
	Increase/ (Decrease) in Trade Payables, Other Liabilities	(9,10,12,998)	65,24,38,187
	Direct Taxes (Net)	(14,29,30,278)	(16,77,72,283)
	Prior Period Adjustments	(26,00,304)	(7,97,45,443)
	Provision no longer required Written Back	67,62,072	1,92,93,407
	Net Cash from Operating Activities	(54,60,37,970)	22,62,24,623
B	Cash Flow From Investing Activities		
	Purchase of Fixed Assets	(15,78,55,213)	(13,24,88,957)
	Sale of Fixed Assets and Adjustments	34,81,928	44,68,642
	Reduction/(Addition) of Work-in-Progress	22,71,09,969	(35,47,00,850)
	Dividend Received from Subsidiary	-	10,18,860
	Interest Received	17,46,50,070	20,40,59,800
	Net Cash Flow from/(used in) Investing Activities	24,73,86,754	(27,76,42,505)
C	Cash Flow From Financing Activities		
	Interest Paid	(20,34,581)	(19,96,621)
	Increase in Loan	18,11,718	18,31,651

Wealth Tax Paid	(66,445)	-
Dividend Paid	-	(8,77,64,400)
Dividend Tax Paid	-	(1,46,83,393)
Govt. Grant Received	5,25,000	-
Net Cash Flow from/(used in) Financing Activities	2,35,692	(10,26,12,763)
Net Increase in Cash and Cash Equivalents (A+B+C)	(29,84,15,524)	(15,40,30,645)
Cash and Cash Equivalents (Opening Balance)*	3,05,75,56,442	3,21,15,87,087
Cash and Cash Equivalents (Closing Balance)*	2,75,91,40,918	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 (FRN 002830N)

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

Date : 31st August, 2011
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, 2011

The preparation of financial statements of **India Tourism Development Corporation Limited** for the year ended 31st March, 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 31st August, 2011.

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, 2011. 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 : 26th September, 2011

Ten-Year Financial Statistics — 2002-11

(₹ in lakh)

Particulars	2001-2002	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
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	8,576.94	8,576.94
Share Application Money	-	-	-	-	-	-	7,300.00	7,300.00	-	-
Reserves & Surplus	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	21,943.96
Net worth	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**	30,520.90
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	618.03	292.50	227.50	-	-	-	-	-	-	-
Gross Block	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	14,019.06
Depreciation (cumulative)	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	7,724.61
Net Block	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	6,294.45
Current Assets, Loans & Advances	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	45,765.41
Current Liabilities & Provisions	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	27,850.37
Working Capital	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	17,915.04
Capital Employed	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	24,209.49
Debt : Equity Ratio	0.09 : 1	0.04 : 1	0.27:1	0.23:1	0.0014:1	0.0004:1	0.0001:1	-	-	-
Turnover	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	39,235.75
Profit/(Loss) before tax & Prior Period Adjustments and extraordinary items	-3,654.78	-120.85	76.44	3,209.92	5,095.69	7,005.43	7,288.50	3,864.90	-1265.45	-1,156.34
Prior Period Adjustment and Extraordinary Items	*-5,370.97	*-788.74	209.75	-94.07	61.27	-128.37	-347.81	-45.69	-785.68	-16.88
Profit/(Loss) before tax	-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	-1,173.22
Tax Liability	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	-	-
Wealth Tax	-	-	-	-	-	-	-	-	0.66	0.61
Deferred Tax	-369.52	-240.04	151.67	1,207.58	604.37	-289.32	-381.88	-312.33	-1309.14	-312.58
Provision for Income Tax of Earlier Years written back/(charged)	-	-	-	5.93	0.63	81.69	-14.95	46.10	31.58	2.62
Deferred Tax Asset Recognised	-	-	153.69	1,207.58	1,317.70	-	-	-	-	-
Profit/(Loss) After Tax	-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	-858.63
Transfer from Currency Translation Reserve	-	-	-	-	-	-	-	1.57	-	-
Amount Available for Appropriation	-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	-858.63
Foreign Exchange Earnings (Direct)	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	1,412.27
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*