INDIA TOURISM DEVELOPMENT CORPOROATION LTD

44th Annual Report

for the year

2008-09

INDIA TOURISM DEVELOPMENT CORPOROATION LTD

<u>Contents</u> <u>Page No(s)</u>

INDIA TOURISM DEVELOPMENT CORPORATION LTD

Registered Office: SCOPE Complex, Core-8 (6th Floor)
Lodhi Road, New Delhi – 110 003

NOTICE

Notice is hereby given that 44th Annual General Meeting of India Tourism Development Corporation Ltd will be held on Thursday, the 31st December, 2009 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 2009 and Profit and Loss Account for the year ended on that date together with the Report of the Auditors and the Directors' Report.

(2) To declare dividend

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

(4) To appoint a Director in place of Shri Jose Dominic, 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: 08.12.2009

(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 30th day of December, 2009 to 31st day of December, 2009 (both days inclusive).

To

(i) All Members of India Tourism Development Corporation Ltd.
(ii) M/s Khanna & Annadhanam, Chartered Accountants, 3/7B, 2nd Floor, Asaf Ali Road, New Delhi – 110 002
(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.

INDIA TOURISM DEVELOPMENT CORPORATION LTD

Directors' Report
2008-09

Dear Shareholders,

Your Directors have pleasure in presenting the 44th Annual Report together with the audited accounts of the Corporation for the year ended 31st March 2009.

Your Corporation has registered a turnover of Rs.410.67 crore during the financial year 2008-09 as against Rs.470.27 crore in the previous financial year, registering a decline of 12.67%. The decline in turnover is mainly due to Global recession, 26/11 Mumbai attacks, closure of duty free shops etc. The profit (before tax) of your Corporation was down by 44.98% to Rs.38.19 crore during the financial year 2008-09 from Rs.69.41 crore in the previous financial year and the profit after tax was down by 42.42% to Rs.25.38 crore from Rs.44.08 crore in the previous financial year 2007-08. The decrease in profit is mainly due to reduced turnover and increase in wage cost as a result of implementation of 6th Pay Commission's recommendations in pay scales of CDA and recommendation of 2nd Pay Revision Committee constituted by Government for IDA pay pattern employees w.e.f. 1.1.2006 and 1.1.2007 respectively.

PERFORMANCE HIGHLIGHTS

The comparative position of the corporate profitability at a glance is tabulated below: -

Particulars	(Rupees in crore) 2008-09	2007-08
Turnover	410.67	470.27
Operating Profit	42.95	77.45
Less: Interest	0.02	0.02
Less: Depreciation	4.28	4.54
Add/(Less): Prior period adjustments and extra-ordinary items	(-)0.46	(-)3.48
Profit/ (Loss) before Tax	38.19	69.41
Add/(Less): Deferred Tax	3.12	3.82
Less: Provision for Income Tax	16.00	28.50
Less: Provision for Fringe Benefit Tax	0.41	0.50
Add: Provision for Income Tax for earlier year written back	0.46	(-)0.15
Transfer from Currency Translation Reserve	0.02	-
Profit/(loss) after Tax	25.38	44.08
Proposed Dividend	8.58	13.50
Dividend Tax	1.44	2.30

Equity Capital	67.52	67.52
Capital Employed	291.73	285.41

CAPITAL STRUCTURE

As on 31st March 2009, the paid up share Capital of the Corporation remained unchanged as in the last year i.e. Rs.67.52 crore. The paid up capital has been increased to Rs.85.76 crore as a result of preferential allotment of 1,82,50,000 equity shares of Rs.10/- each at a premium of Rs.30/- per share to the President of India on 14th September, 2009 against equity contribution of Rs.73 crore received by the Corporation in December, 2007 for Renovation of Ashok Hotel, New Delhi.

DIVIDEND

Since the current year's net profit after tax is lower by more than 20% of the average net profits after tax of the two financial years immediately preceding, it shall not be required to ensure the minimum distribution of dividend which comes out to13.3% as prescribed in Rule 3 of Companies (Transfer of Profit to Reserves) Rules, 1975. The Board of Directors are pleased to recommend dividend of 10% on the Paid-up equity capital for the year 2008-09. The total liability for Dividend (Rs.8.58 crore) and Dividend Tax (Rs.1.44 crore) will be Rs.10.02 crore.

RATING OF ITDC VIS-VIS MOU TARGETS

Performance of the Corporation for the year 2006-07 has been rated as 'Very Good' in terms of the MOU signed with the Government of India. The Self Performance Evaluation Report for 2007-08 on the basis of audited data has been sent to DPE and the rating is awaited.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIVISION WISE PERFORMANCE

a) Hotels Division

The year gone by has been full of challenges for the hospitality industry. Falling occupancies levels and room rentals in the aftermath of the global recession and Mumbai terror attacks have weighed on the company's financial performance. However there are signs of improving prospects in the coming period.

The Hotels Division have three hotels in Delhi, five hotels in outside Delhi located at Mysore, Patna, Jammu, Bhubaneshwar and Jaipur. Two DOT properties are also managed by the Company. The occupancy of the Hotels was affected negatively in the last two quarter of the financial year especially through inbound travelers, which also becomes evident from the reduced forex earnings, even as the revenues showed marginal negative growth. To counter the recession and increased competition, competitive room pricing was worked out to market the hotels more aggressively.

The turnover of the Hotels Division during the financial year 2008-09 decreased by 5.15% to Rs.209.14 crore from Rs.220.49 crore in the previous financial year 2007-08. The decrease in turnover is mainly due to 26/11 Mumbai attacks. The net profit of Hotels Division decreased to Rs.12.94 crore as against Rs.50.09 crore in the previous financial year 2007-08 mainly due to increased wage cost due to implementation of Wage Revision Recommendations and due to decrease in turnover.

b) Ashok Creative (AC Division)

Ashok Creative Division continued to play a key role in tourism promotion and developmental projects of the Ministry of Tourism. Ministry of Tourism is the biggest spender in terms of Media Campaigns – both International and Domestic. Ministry of Tourism is the Division's major client in terms of turnover and revenue. However on withdrawal of PPP, winning campaigns for ITDC has become more difficult.

During the financial year 2008-09, the Division showed a turnover of Rs.53.06 croe against Rs.87.20 crore in previous year 2007-08 with a loss of Rs.0.92 crore against net profit of Rs.1.24 crore in the previous financial year 2007-08. The loss was due to primarily the fact that Ashok Creative is not INS accredited and neither does the Division has the expertise of bulk media buying from International and Domestic markets. Therefore, whenever the Division participates in any open bids for media buying activity it requires the expertise of empanelled advertising agencies. Since during the year under review the partnership with an empanelled advertising agencies did not materialize, the Division was entirely dependent on creative assignments, a few advertising campaigns and print production jobs of clients. However, the technical capability and expertise of the Division cannot be undermined as creativity and creative aspects continue to be the Division's forte.

c) Ashok International Trade (AIT Division)

The Ashok International Trade Division (AITD) continued its efforts to sustain its operations despite many odds thrown up by the vastly transformed business environment and greatly reduced scale of its operations.

The Duty free shops at Goa and recently opened in August 2009 at Coimbatore offer world class duty free shopping facilities to international travelers earning crucial foreign exchange for the country and showcasing Indian products to the world.

The turnover of AIT Division has decreased to Rs.5.56 crore during the financial year 2008-09 from Rs.31.33 crore in the previous year 2007-08 mainly due to closure of commercial activities of duty free shops at Custom domestic/international airports at Bangalore during May 2008. During the year AIT division has incurred Net Loss of Rs.1.88 crore as compared to net loss of Rs.10.53 crore in the previous financial year.

d) Ashok Travels & Tours (ATT Division)

Ashok Travels & Tours, an in-house IATA approved Travel Agency of the India Tourism Development Corporation Limited provides all travel related services primarily for the Government Sector as well as general public. Services include Airline Ticketing/Hotel Booking/Tour Packages/Car & Coach Rentals.

ATT Division during the financial year 2008-09 registered most impressive growth. The turnover of the Division increased to Rs.67.80 crore from Rs.49.77 crore in the previous financial year 2007-08 and has registered a increase of 36.22%. However the Division suffered a net loss of Rs.1.68 crore as against Rs.0.39 crore in the previous financial year mainly due to higher wage cost due to wage revision impact.

On the whole it would be a period of growth and consolidations for ATT. The Division is now poised for a major growth initiative keeping in view of the opportunities created by forthcoming Common Wealth Games 2010.

e) Ashok Reservation and Marketing Services (ARMS Division)

The erstwhile Marketing & Hotel Sales Division which later become ARMS Division had three main functions – Handling of events and conferences; promotion and marketing of ITDC Hotels and reservation of ITDC Hotels by Centralized Reservation Service. Later, the area of marketing of ITDC Hotels and Centralized Reservation Service has been constituted as Corporate Marketing Division and the area of handling the events and conferences as Events Division.

The Ashok Reservation & Marketing Service (ARMS) handles the Centralized Reservation Service and the Marketing of ITDC Hotels. The Event Division manages events, conferences and exhibitions both within the country and abroad and has established itself as a leader in the field of Event Management.

During the financial year 2008-09, the turnover of the ARMS (Events Division) decreased to Rs.11.88 crore as against Rs.19.33 crore in the previous financial year 2007-08. The net profit of the Division also decreased to Rs.0.91 crore as against Rs.2.59 crore in the previous financial year mainly due to reduced turnover and higher wage cost due to wage revision impact.

f) Ashok Consultancy & Engineering Division

The Ashok Consultancy & Engineering Division has been very actively working for the following activities :

i) Renovation and upgradation of ITDC Hotels.
ii) Implementation of Tourism infrastructure projects.
iii) Rendering consultancy services to Ministry of Tourism, Govt. of India and State Govt. Organizations.

During the financial year 2008-09, the turnover of the Division was Rs.17.31 crore as against Rs.23.44 in the previous financial year 2007-08. The Division suffered a net loss of Rs.3.94 crore during the current financial year 2008-09 as against net loss of Rs.0.09 crore in the previous financial year 2007-08.

Despite all the odds like shortage of manpower, time bound Projects in hand, delay in releasing of funds from various clients and non-allotment of land by various State Government, the Division is doing extremely well. During the up-coming year the division has been turnarounded and is handling a turnover of Rs.150 crore including the most prestigious project of renovation of Ashok Hotel.

g) Ashok Institute of Hospitality & Tourism Management (AIH&TM Division)

The Ashok Institute of Hospitality & Tourism Management, an ISO 9001:2000 certified Institute run by ITDC in New Delhi has been undertaking Education & Training related activities during the year 2008-09 as a Strategic Business Unit of ITDC. The Division has been conducting 4 years 'Bachelors in International Hospitality Business Management' Course affiliated to the Kurukshetra University, Kurukshetra (Haryana) since 2004 and from the current academic year, AIH & TM has started the 3 years 'BBA' in International Hospitality affiliated to the IP University, Delhi.

During the year 2008-09, the unit achieved the turnover of Rs.5.42 crore as against Rs.5.09 crore in the previous financial year 2007-08. The net profit increased marginally to Rs.1.54 crore as against Rs.1.46 crore in the previous financial year 2007-08.

PLAN SCHEMES

The Revised Budget Estimate towards plan expenditure for 2008-09 was Rs.45.56 crore which included Rs.38.56 crore for renovation/improvement in existing hotels and remaining fund for other activities of the Corporation. The plan expenditure during 2008-09 was Rs.8.93 crore.

The plan outlay for the year 2009-10 is Rs.165.55 crore which includes Rs.158.49 crore for renovation of various hotels including major renovation of Ashok Hotel at an estimated cost of Rs.116.28 crore. For the renovation of Ashok Hotel, the Ministry of Tourism has provided budgetary support of Rs.73 crore in the form of equity. The balance plan outlay of Rs.7.06 crore is for other activities of the Corporation.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

During the year 2008-09, the Corporation continued its efforts to give impetus to the use of Hindi in official work. To motivate employees for making increasing use of Hindi in their official work, cash incentives were granted to them on doing prescribed quantum of work in Hindi. As part of Hindi Training Programme, employees were nominated for Hindi Typing/Stenography classes being conducted under the Hindi Teaching Scheme of the Government of India. Hindi Workshops were also organized to impart them training on noting-drafting and other works in Hindi. Various Hindi Competitions were also organized during Hindi Month celebrations for creating an environment conductive for promotion of Hindi.

PARTICULARS OF EMPLOYEES

None of the employees of the Corporation 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 ENGERGY AND TECHNOLOGY ABSORPTION

Your Corporation is committed to energy conservation at every stage of its operation. In order to conserve energy, various measures were taken which included preventive maintenance schedule for plant & machinery, use of lower energy consuming devices, improvement in power factor and economizing the use of gas & fuel. Hotels have significantly saved on the energy consumption by switching over to energy efficient lighting and locking system. Water harvesting has also been taken as a high concern area. Further, general awareness was created amongst the staff and engineers to conserve energy in every operation they undertook. All these measures contributed in effecting economy and saving of resources.

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 & OUTGO

The Direct Foreign Exchange Earnings during the year 2008-09 were Rs.20.10 crore as against Rs.57.23 crore in the previous year 2007-08. The outgo of foreign exchange during the year was Rs.4.41 crore as against Rs. 33.98 crore in 2007-08.

During the year, 25 officials were sent on foreign tours at the cost of Rs.13.83 lakh approximately in connection with promotion of the Company's business.

SUBSIDIARY COMPANIES

The Annual Accounts for the year 2008-09 in respect of the six out of seven subsidiary companies viz. (i) Donyi Polo Ashok Hotel Corporation Ltd (ii) Utkal Ashok Hotel Corporation Ltd, (iii) Punjab Ashok Hotel Company Ltd.(iv) Assam Ashok Hotel Corporation Ltd (v) Pondicherry Ashok Hotel Corporation Ltd (vi) Ranchi Ashok Hotel Corporation Limited has been finalized and audited. The Annual Accounts of MP Ashok Hotel Corporation Limited is under finalization and audit. The Ministry of Corporate Affairs have granted exemption under Section 212(8) of the Companies Act, 1956 from annexing the annual accounts of the subsidiary companies. The audited accounts of the subsidiary companies for the year 2008-09 will be circulated as soon as these are available after adoption in their AGM. A statement pursuant to the exemption u/s 212(8) of the Companies Act, 1956 giving required details together with the reasons for non-finalization/adoption of Annual Accounts is annexed as Annexure 'A'.

BOARD OF DIRECTORS

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

During the year under review Shri Rajiv Makin was appointed as Director (C&M) pursuant to Article 61 of the Articles of Association of the Company. He assumed the charge on 17th October 2008. Shri Sanjay Kothari has been appointed as C&MD, ITDC vice Shri Parvez Dewan. He assumed the charge on 1st of December, 2009.

Pursuant to Article 61 of the Articles of Association of the Company, S/Shri Zubin Karkaria and Jose Dominic Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. In compliance with clause 49(G)(i) of the Listing Agreement, their brief resume, nature of expertise in specific functional areas are as under:-

<u>Shri Zubin Karkaria</u>

Shri Zubin Karkaria has been the Director of ITDC since 19th July, 2007. Shri Zubin Karkaria is the CEO & Managing Director of 'India & South Asia Kuoni Travels Group.' Shri Zubin Karkaria is also the Director of several Group Companies of 'India & South Asia Kuoni Travels Group.'

<u>Shri Jose Dominic</u>

Shri Jose Dominic has been the Director of ITDC since 17th April, 2007. Shri Jose Dominic is, since 1980, the Managing Director and CEO of CGH Earth (formerly Casino Group of Hotels), a hotel group who have been pioneers in tourism development in Kerala.

Shri Jose Dominic has served on several National and State advisory panels on tourism of the Government and Industry bodies. Some of these include, National Tourism Advisory Council of the Government of India and the Government of Kerala, Tourism Think Tank of Government of India, Member – Expert Panel on Tourism of ASSOCHAM (Associated Chambers of Commerce and Industry of India, and CII (Confederation of Indian Industry) etc. He has been invited to speak at major conferences and seminars on Tourism including Conference on Tourism Taxation organized by World Tourism Organization, Colloquium of Conservation and Heritage Tourism organized by the British Council, presented papers on Sustainable Tourism at the Annual Convention of the Indian Association of Tour Operators.

He has served as Hon. Secretary of the Federation of Hotel and Restaurant Associations of India and Founder President of Kerala Travel Mart, which has now acquired the reputation as the most significant travel-marketing event in India. He has been closely associated with the conservation movement and serves as the Co-convener of INTACH (Indian National Trust for Art and Cultural Heritage). He is past President of TiE - Kerala Chapter (The Indus Entrepreneurs) and KTM (Kerala Travel Mart Society) and also was the President of the Cochin Chamber of Commerce. He is a member of the National Tourism Advisory Committee.

He is a Chartered Accountant by qualification and prior to joining Casino Group of Hotels (now CGH Earth) worked with the countries leading firm of Chartered Accountants Messrs. A.F. Ferguson & Co. He is a graduate of Commerce from Loyola College, Chennai and he received his early education in Lawrence School, Lovedale.

Names of the Companies in which he is a Director and/or member of the Board Committees are given hereunder in the table :

List of Public Companies in which he is a Director	Coastal Resorts India Limited	Managing Director
Number of 'Board Committees' of such Public Limited Companies in which he is a Member / Chairman	None	
List of Private Companies in which he is a Director	Hotel & Allied Trades Private Ltd. Escapade Resorts Private Limited Anjaly Holidays And Resorts Private Limited Anjaly Hotels Private Limited Natural Harvest Private Limited Cochin Waste 2 Energy Private Limited Cochin Chamber of Commerce and Industry SIHRA	Managing Director Director Director Director Exec Com. Mem. Director Exec Com. Mem. Exec. Com. Mem.

	PATA	Exec. Com. Mem.
	Eco Tourism Society Of India	Governing Body Member

The names of the Committee of the Board of ITDC in which above Directors are members are given in the Report on Corporate Governance.

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 ***Anexure-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)] and the Management's reply thereto.

DIRECTION ISSUED PURSUNAT TO CLAUSE 96 OF THE ARTICLE OF ASSOCIATION

Pursuant to Article 96 of the Articles of Association of the Company, the President of India may from time to time, issue such directives or instructions as may be considered necessary in regard to the finance, conduct of the business and affairs of the company. Such Directives issued by the President shall be in writing addressed to the Chairman. Pursuant to this, the directive issued vide Ministry of Tourism letter No. 5/1/2009-PSU(T) dated 24.06.2009 under Regulation 96 of the Articles of Association of the Corporation is enclosed as ***Annexture III.***

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 2009, 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 Corporation at the end of the financial year and of the profit of the Corporation 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 Corporation and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the financial year ended 31st March 2009 on a 'going concern' basis.

AUDITORS AND AUDITORS' REPORT

The Comptroller & Auditor General of India have appointed M/s Khanna & Annadhanam, Chartered Accountants as Statutory Auditors of the Corporation and also various Branch

Auditors for the year 2008-09 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 for the year 2008-09 are given in Annexures-IV and V.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

The Accounts for the year ended 31st March 2009 were sent for review by the Comptroller and Auditor General (CAG) of India. Their comments are awaited and shall be sent as soon as these are received along with the Management's replies thereto.

ACKNOWLEDGEMENT

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

The Board also gratefully acknowledges the support and guidance received from various Ministries of the Government of India particularly the Ministry of Tourism, in Company's operations and developmental plans. The Board also wishes to record its deep gratitude to all the members of ITDC family whose enthusiasm, dedication and co-operation not only made the radical turnaround possible but also put the Corporation on this path of progress.

For and on behalf of Board of Directors

Sd/-
(Sanjay Kothari)
Chairman and Managing Director

Date : 08.12.2009
Place : New Delhi

ANNEXTURE-I

MANAGEMENT DISCUSSION & ANALSIS REPORT

GLOBAL AND INDIAN SCENARIO

After having four years of robust growth, global tourism slowed down during the global economic downturn. Travel & Tourism growth in 2008 slowed down to just 1% and is likely to contract further by 3.3% in 2009. The 26/11 attack in Mumbai further accumulated the problem and promoted a number of foreign governments to issue travel advisories against travel to India. As a result, the hotel industry saw a marked drop in occupancies and revenues. Further due to several ways of cost-cutting measures adopted by the business enterprises and others worldwide, travel to India and incomes of hotels may continue to be affected during the current year too, until the recession in the U.S., Europe and the rest of the world shows signs of abatement.

India having a diverse cultural and geographical centre will continue to attract tourist from all over the world. Global economy is slowly being recovered and the flow of tourist is expected to grow. Upcoming events like Commonwealth Games in 2010 would require addition to the inventory of rooms which would boost the growth of the tourism and hospitality sector.

DIVISIONS/SEGMENT WISE DISCUSSION

Hotel's Division
A.Delhi Hotels

The global slowdown and the recession the world over coupled with the 26/11terrorist activity impacted the tourism industry in the negative direction. The year 2008-09 witnessed a negative growth in the tourism sector. As a result, Inbound Tourism, especially from the US and Europe, witnessed a downfall both for tourism and business.

The three hotels under the umbrella of Ashok Group in Delhi, namely, the Ashok, Hotel Samrat and Hotel Janpath also had their occupancies affected negatively in the last two quarter especially through the inbound travellers, which also becomes evident from the reduced forex earnings, even as the revenues showed marginal negative growth. To counter the recession and increased competition, competitive room pricing was worked out to market the hotels more aggressively.

The Ashok Group of Hotels continued to play hot to several prestigious international and national level conventions/events including :

- JCI-Junior Chamber International, FICCI-India Africa Business Partnership Summit 2009, TERI-Annual Delhi Sustainable Development Summit 2009, Medical Council of India (Platinum Jubilee celebration), International Congress of Women, National Tourism Award function, IICDES, Asia Pacific Digestive Week and many other.

- Ashok hotel hosted many important dignitaries including H H Dalai Lama and the UN Secretary General Ban Ki-Moon
- The Ashok Group also globally popularized the Indian cuisine by participating in the Food Festivals abroad.

The Delhi Hotels took the opportunity to continue with the ongoing programme of investing in the hotels through upgradation as all three hotels are heading towards makeover. Parallely, the teams have been relentlessly pursuing the major strategic operational points to put the best foot forward so as to meet the commitment to enhance the guest experience by improving the product and the service standards.

Some of the initiatives taken in the Delhi Hotels are :

- Hotel Janpath has already renovated and created 75 superior rooms with additional facilities/amenities.
- The food and beverage outlets in Ashok – Frontier, Ssteel Bar & Lounge, Capitol and the relaunched Durbar as The Outh, are the talk of the town. At Hotel Janpath, upmarket Mismo-the Mexican cuisine restaurant opened while Cibo-the Italian cuisine restaurant got ready for an early launch. At Hotel Samrat, one of the well known brands Olive Bar and Kitchen is also ready for launch in early 2009-10.
- All the three Hotels- The Ashok, Janpath and Samrat including three restaurants-Vigyan Bhawan, Hyderabad House and Airport Restaurant have achieved ISO 22000 certificates for the their kitchens.
- With an eye on security concerns, CCTV, DFMDs (Door Frame Metal Detectors) and X-ray baggage machine has been installed at the entry points in all the three hotels.

As the three hotels in Delhi have been designated as the 'family hotels' for the Commonwealth Games 2010 providing a huge opportunity, these hotels will be aggressively upgraded in the coming financial year. The plans for the immediate future for the three hotels include :

- 186 rooms at The Ashok will be totally renovated with modern amenities and top of the line material/brands.
- 6th floor guest room toilets at The Ashok will be renovated.
- Newer suites are being created in The Ashok. Few suites with Plunge pool are planned to provide an upmarket product choice to the guests.
- The lobbies of the three hotels will undergo total renovation. In addition, Public areas at The Ashok will undergo total renovation – Tea Lounge, Cigar Lounge, Rest rooms at the lobby, pre-function area of the Convention Hall (The Ashok), New Guest elevators.
- The kitchens will be totally renovated and modernized in all three hotels.

Other major upgradation planned :

- New Swimming pool will come up at Janpath Hotel.
- New service software (PMS) will be introduced in all Delhi hotels.

- New restaurants will come up at all the three hotels including Chinese, Jain Vegetarian, Pan Asian, South India non-vegetarian.
- New, modern, hi-end Health club/Spa will come up at Samrat Hotel and Janpath Hotel.

B. Hotels outside Delhi

Tourism as we are aware is seasonal and sensitive product. It is affected by external and internal factors. Global recession and 26/11 Mumbai attacks has affected tourism industry very badly. Recession coupled with wage revision impact severely affected financial performance of the units.

There are five ITDC owned Hotels located at Mysore, Patna, Jammu, Bhubaneshwar and Jaipur, two DOT properties and one Restaurant at Agra.

Some of the measures taken/ being takenfor improving the performance are :

- Renovation/Refurbishment of product and services.
- Training of staff of hotels including Joint Venture Hotels through AIHT&M.
- Major renovation of 53 rooms at Jaipur Ashok
- Introduction of VRS at Jaipur Ashok to rationalize manpower.
- Planned ISO Certification of Kitchens at Jaipur Ashok, LMPH and Joint Venture Units.
- Upgrading of product by adding new facilities like destination Spas.
- New Banquel Hall is being added at Hotel Patilputra Ashok.
- New Convention Centre is planned at Brahmaputra Ashok.
- Leasing of Hotel Nilachal Ashok, Puri on long term basis.
- Targeting new business segments.
- Organizing food festivals to promote the hotels.

With completion of major renovation/upgradation of our flagship Hotel the Ashok along with hotels in Delhi and outside Delhi, the Corporation would achieve significant growth in coming years.

Swot Analysis (Hotel Division)

Strength

- Hotels are a part of well-known established hotel chain- Ashok Group of Hotels.
- The three Delhi based Hotels have most prime locations as compared to most of the competitors.
- The Hotels offer variety of rooms/suites ranging from economy to luxury. The Ashok has the largest inventory of suites in Delhi. The Ashok has a large number of national and international cuisine restaurants and entertainment outlets under a single roof. The convention facilities at The Ashok and Samrat Hotel are among the largest i.e. from 2000-2500 persons, available among the five star deluxe hotels.

- ITDC has the exclusive task to cater to all the state guests including head of the states visiting the country at Hyderabad House, PM residence, Vigyan Bhawan. The Ashok plays a critical role in providing the support to these VVIP venues.

Weakness:

- Being the early player in the hospitality sector, at least two of the existing three hotels in Delhi have depleted infrastructure while problems are compounded further due to the deferred/inconsistent renovation plans.
- Though highly skilled, the manpower is quite aged as compared to the counterparts in private hotels mainly on account of the HR policies and compulsions.
- ITDC neither have any set up of direct international marketing overseas nor any representatives/consolidators resulting into fewer bookings as compared to the competitors.
- More staff retiring with no recruitments happening, much of the staff is taken on short term contracts. These contractual staff may not be the simlar skill level or even with commitment or motivation that is required in the industry to outshine the competition.

Opportunities:

- The upcoming CWG 2010 is a huge opportunity for ITDC not only to grab a large chunk of business but also to re-establish its lost glory and identity.
- Growing newer trend of services and outsourcing for Hospitality services will reduce costs of operations.
- E-based solutions and advance technologies are available at low costs in the markets for hotels to utilize and increase the productivity.

Threats:

- Growing environmental concern by the governments and environmental organizations are resulting into high maintenance costs for hotels, thus becoming the deterrent in achieving higher profitability.
- The 26/11 terrorist activity has impacted the industry in a negative direction and as a result of which, India may not remain as a preferred tourist and business choice.
- A large room inventory of rooms as a preparation towards CWG 2010 is likely to create an excess post-CWG 2010 which may again impact the business growth.

c. Ashok Creative Division

Creativity is the main forte of the Ashok Creative Division. The Ashok Creative continued to play a key role in tourism promotion and developmental projects of the Ministry of Tourism which included "Incredible India", "Saare Jahan Se Achcha", "Athithi Devo Bhava" and four individual campaigns aimed to promote tourism to North East of India, Jammu & Kashmir, Rural Tourism and Adventure & Wildlife. The Division also undertook the "Social Awareness Campaign" for the Ministry of Tourism. Besides advertisements assignments were also taken up for the Ministry of Human Resource Development, Archaeological Survey of India, Central Pollution Control Board, Directorate of Income Tax and Ministry of Culture promotion in select Punjab – centric media.

On the print-production front, the Division designed and produced several jobs for the Ministry of Tourism (MOT), Ministry of Communication and Information Technology, Election Commission of India (ECI), Second Administrative Reforms Commission (ARC), Archaeological Survey of India (ASI), Central Pollution Control Board (CPCB) etc.

The Ashok Creatives is a pioneer in mounting Sound & Light shows (SEL) at different locations of the country. The shows at Sabarmati Ashram (Gujarat), Kanniyakumari (Tamil Nadu), Kumbhalagarh (Rajasthan), Hampi (Karnataka) and Ludhiana are at various stages of development. The show at Madurai has been commissioned and handed over to the Tamil Nadu Authorities for operation. The show at Purana Quila and upgradation of SEL Show at Red Fort, Delhi are sanctioned by Ministry of Tourism. The shows at Rass Island and upgradation of SEL Show Cellular Jail, Port Blair are under sanction at Ministry end.

The Division has recently signed an MOU with M/s Hungama Digital for tapping multimedia business from State Govternments and Government bodies. The Division has recently submitted proposal with Government of Uttarakhand for Khumb Mela for digital work. Similar proposal is also being submitted to Common Wealth Games 2010 Delhi for digital work.

The initiatives taken by the Ashok Creative Division include the following :

i) With the increasing competition and depleting strength primarily due to superannuation, the Division is focusing on strengthening the Panels consisting of advertising agencies, film makers, photographers, designers, printers, freelance writers, etc. in order to ensure optimum results at competitive prices. Presently the concept of dynamic panel is existing only for design jobs. Efforts are on to introduce this concept in other areas of technicality also. This would facilitate the Division in identifying new talents as available in the market.

ii) Another initiative being taken is to redeploy the existing manpower into procuring more business from clients other than tourism or related fields. This aspect of multitasking at present being done by Officers only would be extended to involve senior staff posted currently in the Division.

iii) Ashok Creative is making all efforts to participate more actively for media, design and film making bids and work on a 50:50 partnership with a private partner, selected through due process. The Division uses the partner's strength in submitting the job alongwith a quotation which is both competitive and financially viable.

Ashok Creatives continues to put in aggressive efforts to secure more advertising business from the Ministry of Tourism, Ministry of Culture and other Government Organizations. Regular co-ordination is also done to procure design and print production jobs as well concept development and production of films and CDs from various Ministries and the Government bodies.

d. <u>Ashok Consultancy & Engineering Division</u>

The Ashok Consultancy & Engineering Division has been very actively working for the following activities :

i) Renovation and upgradation of ITDC Hotels.
ii) Implementation of Tourism infrastructure projects.
iii) Rendering consultancy services to Ministry of Tourism, Govt. of India and State Govt. Organizations.

With the up coming of Common Wealth Games ahead in October 2010, this Division has been entrusted important assignments of renovation of various Hotels in Delhi and outside. The most prestigious Project in hand is renovation of Hotel Ashok which is scheduled to be completed by October 2009. The other Hotels under renovation are Hotel Jaipur Ashok, Hotel Jammu Ashok, Agra Taj Restaurant, Hotel LMPH, Hotel Pondicherry Ashok, Hotel Patilputra Ashok, Hotel Kalinga Ashok, Hotel Ranchi Ashok, Hotel Donyi Polo Ashok and Hotel Brahamputra Ashok.

The Division has been assigned infrastructure works for execution in the state of Delhi, Bihar, Pondicherry and Uttar Pradesh. Most of the projects assigned earlier have been completed and the balance works are in progress. The Division has been assigned new Projects like Hotel Institute at Noida, Development of Museum gallery at Ludhiana and Muranwali. Development of Tourist spot in Barsana and Gaya are under way. The Division is handling various SEL Show which include Sound & Light Show at Sarnath, Jallianwala Bagh, Mahruali etc.

The Division is handling the most prestigious project of illumination of heritage Monuments and Sound & Light Shows in and around Delhi. Four monuments i.e. Purana Quila, Sher Shah Gate and Mosque, Subj Burz and Safdarjung Tomb were illuminated this year and inaugurated by Hon'ble Minister of Tourism & Culture and dedicated to the Nation. There are other 9 Monuments which are under process for illumination work.

e. <u>Ashok Institute of Hospitality & Tourism Management</u>

The Ashok Institute of Hospitality & Tourism Management, an ISO 9001:2000 certified Institute run by ITDC in New Delhi has been undertaking Education & Training related activities during the year 2008-09 as a Strategic Business Unit of ITDC. The Division has been conducting 4 years 'Bachelors in International Hospitality Business Management' Course affiliated to the Kurukshetra University, Kurukshetra (Haryana) since 2004 and from the current academic year, AIH & TM has started the 3 years 'BBA' in International Hospitality affiliated to the IP University, Delhi.

Ministry of Tourism, Govt. of India has entrusted 'Capacity Building Training for Service Providers to the AIH & TM as one of its Implementing Agency which includes training of stake holders for the forthcoming 'Commonwealth Games 2010'.

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

i) Bachelors in International Hospitality Business Management.

ii) Diploma in Air Hostess, Travel & Hospitality Management.
iii) Certificate Courses in Hotel Operational Departments.

Under the above franchising arrangements, Agreements have been signed with Institutes in Mumbai, Kolkata, Goa and Discussions with Institutes in Jammu and Gurgaon are in progress.

Swot Analsis

Strength:

- HRD Division of ITDC under Ministry of Tourism, Govt. of India
- An ISO 9001-2000 Certified Institution
- Operationally experienced and qualified faculty/Trainers
- ITDC Hotels for training and development of the trainees
- International tie ups for foreign internship training
- Strategic tie-ups with Kurukshetra University, IP university and Board of Technical Education, Delhi

Weakness:

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

Opportunities:

- Forthcoming Commonwealth Games Delhi 2010
- Ashok Alliance Hotels Staff Training
- Capacity Building training on behalf of Ministry of Tourism, Govt. of India
- Training assignments from State tourism/ Social welfare/ Backward Class/ Ministry of DONER.

Threats:

- Competition from private and Govt. Institutes
- Kurukshetra University starting its own Degree program with International tie-up
- Board of Technical Education, Delhi Govt. starting trade diploma courses in Hospitality and Air hostess Programs earlier developed with ITDC.
- Absence of regularization of the land in favour of ITDC by L&DO, Govt. of India

f. Ashok International Trade Division (AITD)

Travel Retail sector in India is still nascent but it has a huge potential ahead. This realization is bringing in the biggest global Duty Free operators and other allied services providers to India. This was evident from the latest tender for terminal T-3 at

Delhi wherein all the major global Travel Retail operators participated, which shows the interest that Indian aviation sector is generating. This tender has also shown one of the likely model of management structure for these non-aeronautical commercial operations wherein a large international Duty Free operator, a local infrastructure developer and an Indian party engaged in an allied service (in-flight sales in this case) have joined hands to successfully bid for an airport Travel Retail concession. The future Travel Retail operations will be big and are likely to be run by conglomerations such as these, considering the huge scale of operations involved. One its part ITDC, for it to be able to stay in contention, will in the least need to tie up with some big international Travel Retail/Duty Free group. Till that is done it will have to be content with bidding for small airports of which many are likely to come up for tendering in near future. The scale of operations at these airports, however, will always be small compared to big airports and these do not offer economies of scale which becomes a big constraint in Travel Retail operations. However, to sustain itself and to remain in contention AITD would continue to strive to secure as many small concessions as possible such as the one secured at necessary for financial sustenance. This will in turn act as a buffer for ITDC while it strives for bigger concessions in partnership with a major international operator which will need to be identified in due course. Travel retail sector in India has shown great resilience in the face of economic slow down. Traffic may have dropped but the value per transaction has improved appreciably. The retail sales in India are projected to grow @ 6-8% given GDP growth of 5-6%. The Travel Retail sector is set to become very dynamic and ITDC will need to re-invent itself to be able to make the most of these developments. A fundamental change in work culture will also be required to keep pace with changing times.

Swot Analsis

Strength

- ITDC has in-depth knowledge of Travel Retail/Duty Free trade and its various nuances, strong ties with business partners based on long years of mutual trust and respect, long standing experience of dealing with various Government agencies such as Customs, Civil Aviation Authorities and security agencies etc. who all implicitly trust ITDC, being a PSU.

Weakness

- Scale of business has reduced drastically which means economic of scale are not available.
- Because of low volume ITDC will be unable to procure many items of Duty Free merchandise leading to limitation on range of merchandise.

Opportunities

- A large number of small airports will get international status and many Greenfield airports will come up; big international players have shown no inclination for small airports which makes ITDC an automatic contender for Duty Free operations at these small airports. Airport concourses will become sprawling hubs for non-aeronautical commercial activities including Travel Retail and food plazas which are core competencies of ITDC.

- There are numerous opportunities in other related areas such as sea-ports, land borders, shipchandling etc. which ITDC will need to diversify.

Threats

- As a shrinking entity ITDC will not only not have economy of scale but it may also lose its leverage with business partners which enabled it to get good commercial terms and other forms of promotional support over the years.
- Shrinking-size will also make management of logistics and supply chain difficult because of lack of economies of scale. So ITDC will need to quickly re-group and re-invent itself.

g. Ashok Reservation & Marketing Service (ARMS)

A. Corporate Marketing Division

The Ashok Reservation & Marketing Service (ARMS) handles the Centralized Reservation Service and the Marketing of ITDC Hotels. Some of the initiatives taken by the ARMS Division to promote and market ITDC Hotels are :

- Development of new ITDC Hotel Directory; new Brochures of individual hotels; new ATT brochure; Posters of ITDC hotels-Ashok/Samrat/Janpath/LMPH and for other all other Hotels;
- Formulation of a Royal Wedding Brochure of Lalitha Mahal Palace Hotel, Mysore.
- Launching of "Ashok Alliance" and "Ashok Referral" concept
- Participation in International Travel Borse (ITB) in Berlin in March 2009, one of the largest Travel Trade Fair organized by Messe Berlin.
- Starting online Hotel Reservation service in all ITDC Hotels and is in the process of listing in several Hotel and Travel portals e.g. arzoo.com, travelbouiriqueonline.com, viastay.com, makemytrip.com, cleartrip.com etc.
- Product familiarization visits are organized for the individual Indian Travel Agents to the Janpath and Ashok Hotel so as to apprise them of the new developments.
- With a view to develop Marketing Plans of individual hotels, ITDC Marketing Meet was organized in July 2008 in Ashok Hotel, New Delhi. Each Head of the Hotel made a presentation of his hotel based on the questionnaire developed by the Corporate Marketing Division which provide reliable information about the hotel such as condition of the hotel services vis-à-vis its competitors; 3 years business trend with regard to room occupancy percentage & ARR; major accounts patronizing the hotel; needs of the hotel regarding product development, lack of infrastructure, resource crunch.
- Sales Blitz have been undertaken in different source markets in NCR, Mumbai and Bangalore.
- Establishment of a Regional Marketing office at Mumbai and efforts are on to re-establish Marketing offices at Kolkatta, Bangalore and Chennai also.

Swot Analsis

Strengths:

- Offices at New Delhi, Mumbai, Chennai, Bangalore and Kolkata
- Participation in tourism fairs and travel marts nationally and internationally.
- Central Reservation Service (CRS)
- Online reservation system
- Qualified and Experienced staff

Weakness :

- Executive strength shortage vis-à-vis private sector Hotel chains
- Limited discounting powers.
- Loss of important destination Hotels affecting Marketing of remaining hotels
- Lack of adequate infrastructure at each location
- Absence of Guest Loyalty Programme

Opportunities:

- Forthcoming Commonwealth Games Delhi 2010
- Ashok Alliance Hotels Scheme will help us in Chain Usage
- Recession coming to an end all over the world
- Incredible India Campaign by Ministry of Tourism, Government of India

Threats :

- No. of hotels coming up in NCR and in other cities where ITDC has its Presence.
- Incredible India 'Bed and Breakfast' Scheme.
- Govt. Ministries and Public Sector not patronizing ITDC hotels.

B. Event Division

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

The Event Management Division has handled more than 60 events during the year 2008-09 including PATA 2008, Indo European Union Environment Forum, SACOSAN Conferences, KPCS Meeting, PETROTECH 2009, INSIPRE PROGRAMME NREGA Sammelan, Sub Regional Conference of South, South-West and Central Asia on Higher Education, DRDO Conference. The Division also designed and fabricated various exhibitions like the SARAS Pavillion at IITF, etc.

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

h. Ashok Travels & Tours (ATT)

Ashok Travels & Tours, an in-house IATA approved Travel Agency of the India Tourism Development Corporation Limited provides all travel related services primarily for the Government Sector as well as general public. Services include Airline Ticketing/Hotel Booking/Tour Packages/Car & Coach Rentals.

The following strategy initiatives are being taken with a view to reach the turnover level of above Rs.100 crores in next three years :-

1. Expansion of fleet strength through procurement of new vehicles.
2. Creation of satellite offices in various Government and PSUs.
3. Introduction of daily coach services ex-Mumbai for Pune, Shirdhi etc.
4. Providing ground handling services to conferences organized not only in Delhi but also in other Metros.
5. Expanding the operations of Units in the various State capitals.
6. Introduction of new tour packages (trailor made as per requirement of the customer).

The Division is now poised for a major growth initiative keeping in view of the opportunities created by forthcoming Common Wealth Games.

Swot Analysis

The various strengths of the Division include :

- Good image as Transport Service Provider having excellent network.
- Influence being a government enterprise.

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

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

OUTLOOK

According to a study by the World Travel and Trade Council, India is the third fastest growing tourist destination in the world. Further India has been elected to head the UN World Tourism Organization (UNWTO), the highest policy making world tourism body represented by 150 countries. India is ranked 7^{th} in terms of number of world Heritage Cultural Sites, according to UNESCO Report 2008. Thus tourism industry in India is bound to bounce back as the global financial conditions improve. Global crisis is slowly being eased and India economy is set to achieve the growth of 6.5-7%. The Commonwealth Games in October 2010 is expected to give a fillip to the tourism industry. The hotel industry is also hopeful to get the "Infrastructure Status" under the Income Tax Act which would enable the hotel industry to obtain long term financial assistance at easier norms and also to obtain tax exemption.

Since the three hotels of ITDC in Delhi have been designated as the 'family hotels' for the Commonwealth Games 2010, huge opportunity exists not only to grab a large chunk of business but also to re-establish the Brand of Ashok.

RISK & CONCERNS

The tourism industry in general is sensitive to the economic environment. The sector may be unfavourably affected by changes in global and domestic economies, socio political risks internationally and within the country like terrorist activities, occurrence of infectious diseases, Competition from International Hotel Chains, Increased outbound travel etc. The hotel industry in general has a high operating leverage which has further increased with on going renovations and product upgrades.

INTERNAL CONTROL

The Corporation has adequate internal control system commensurate with its needs and an internal audit team headed by an executive at the level of Vice President office periodically reviews all Control systems and assists in monitoring and upgrading the effectiveness of control systems. The Audit Committee of the Board reviews this process.

The Corporation has introduced a Internal Audit Manual which has been prepared by the Institute of Public Auditors of India. The Internal Audit Manual after having been approved by the Audit Committee and the Board of Directors has been circulated to all the units and Internal Auditors. The Internal Auditors have been advised to follow the Internal Audit Manual with effect from the financial year 2009-10.

HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

"The total number of employees in the Corporation decreased from 2561 as on 31.3.2008 to 2407 as on 31.3.2009. Out of 2407 employees, 707 employees belongs to Scheduled Castes(SCs), 51 belongs to Scheduled Tribes(STs) and 100 to Other Backward Classes (OBCs). 36 employees were recruited during the financial year 2008-09, out of which 08 employee belongs to Scheduled Castes (SCS), 02 belongs to Scheduled Tribes (STs) and 07 to Other Backward Classes. However 46 employees were promoted, out of which 12 employees belongs to Scheduled Castes (SCS), 01 employee belongs to Scheduled Tribes (STs) . Further there are 308 Women employees working in ITDC as on 31.3.2009 constituting 12.8% of the total workforce of the Corporation. Of these 67 are at Executives level and 241 are at non-executives level."

The overall Industrial relation situation in ITDC continued to be cordial and good. There was no loss of mandays during the year.

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 2008-2009 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. Presently, the Board of Directors comprises of Chairman & Managing Director, Director (Finance) and Director (Commercial & Marketing), part-time official Directors representing Govt. of India and independent part-time Directors, as under:-

(A) Executive Directors

Shri Sanjay Kothari, Chairman & Managing Director w.e.f. 01.12.2009
Shri Parvez Dewan, Chairman & Managing Director ceased w.e.f. 01.12.2009
Shri PP Singh, Director (Finance)
Shri Rajiv Makin, Director (C&M)

(B) Non-Executive Directors

(a) Part-time Government Directors

Shri E. K. Bharat Bhushan
Smt. Leena Nandan

(b) Independent Part-time Directors

Shri Ashok Pahwa
Shri Romesh Chopra
Shri Jose Dominic
Shri Zubin Karkaria
Shri Jyotindra Jain

2(a) **Board Procedure:**

Six meetings of the Board of Directors were held during the year 2008-2009 (30th April 2008, 27th May 2008, 30th July 2008, 31st October 2008, 28th November 2008, 30th January 2009) and attendance of Directors there at was as follows: -

Name of the Director	Attendance at Board Meetings	Attendance at last AGM (Yes/No)
Shri Sanjay Kothari, C&MD*	N.A.	N.A.
Shri Parvez Dewan, C&MD**	06	Yes
Shri PP Singh, Director(Finance)	06	Yes
Shri EK Bharat Bhushan, JS&FA	03	No
Smt Leena Nandan, JS(T)	06	No
Shri Ashok Pahwa	06	Yes
Shri Romesh Chopra	02	No
Shri Jose Dominic	01	No
Shri Jyotindra Jain	05	No
Shri Zubin Karkaria	01	No
Shri Rajiv Makin***	03	Yes

*Joined as C&MD w.e.f. 01.12.2009

** Ceased to be C&MD w.e.f. 01.12.2009

***Appointed as Director (C&M) w.e.f. 17.10.2008

The maximum time gap between the two Board Meeting was less then four 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 2008-09, is as under:

Name of the Director	No. of other Directorships	Board Committees of the Corporation of which he is a member/Chairman	Board Committees of other Companies in which he is a Member/Chairman
Shri Sanjay Kothari, C&MD*	Nil	Nil	Nil
Shri Parvez Dewan C&MD**	7	2	Nil

Shri PP Singh Dir(Finance)	7	3	Nil
Shri EK Bharat Bhushan, JS&FA	2	3	Nil
Smt Leena Nandan, JS(T)	Nil	2	Nil
Shri Ashok Pahwa	2	1	Nil
Shri Romesh Chopra	Nil	1	Nil
Shri Jose Dominic	1	1	Nil
Shri Jyotindra Jain	Nil	1	Nil
Shri Zubin Karkaria	Nil	0	Nil
Shri Rajiv Makin	7	0	Nil

*Joined as C&MD w.e.f. 01.12.2009

** Ceased to be C&MD w.e.f. 01.12.2009

2(c) **Pecuniary relationship or transactions of the Directors:**

The Corporation did not have any pecuniary relationship or transactions with its non-executive Directors during the period under review. Directors make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are Directors. The Independent part time directors are paid only sitting fees of Rs.1,000/- for each Board / Committee meeting attended by them.

2(d) **Code of Conduct**

A code of conduct for Board members and senior management personnel (from the rank of Assistant Manager and above) of the Corporation as adopted by the Companies was posted on the web-site of the Corporation. The Corporation has obtained affirmation of compliance of the Code of Conduct by the Board Members and Senior Management personnel.

2(e) **Management Discussion and Analysis**

Management Discussion and Analysis Report forms part of the Directors' Report.

2(f) **CEO/CFO Certification**

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

(3) **Audit Committee:**

Composition: The Audit Committee is headed by Shri Ashok Pahwa, a Independent part-time Director. The present composition of Audit Committee is as under:-

Sl No	Name of Directors	Status	Remarks
i	Shri Ashok Pahwa, Director	Chairman	Independent & Non-Executive
ii	Shri E. K. Bharat Bhushan, Director	Member	Non-Independent & Non-Executive
iii	Shri P.P. Singh, Director(Fin)	Member	Non-Independent & Executive
iv	Shri Romesh Chopra, Director	Member	Independent & Non-Executive
v	Shri Jose Dominic, Director	Member	Independent & Non-Executive
vi	Shri Jyotindra Jain, Director	Member	Independent & Non-Executive

The Company Secretary is the Secretary to the Committee. The Committee also invites Statutory Auditor, 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 have been laid down by the Board of Directors in its meeting held on the 27th July 2001, 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:-
   (i) Any change in accounting policies and practices.
   (ii) Major accounting entries based on exercise of judgment by management.
   (iii) Qualifications in draft audit report of statutory auditors
   (iv) Significant adjustments arising out of audit.
   (v) The going concern assumptions

(vi) Compliance with accounting standards

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

(viii) 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 took place on 30.4.2008, 28.7.2008, 30.10.2008, 27.11.2008 and 29-1-2009. The attendance of the members in the meetings were as under:-

Name of Member	No. of Audit Committee Meetings attended out of five held
Shri Ashok Pahwa, Chairman	05
Shri PP Singh, Director (Finance)	05
Shri EK Bharat Bhushan,	03
Shri Romesh Chopra	01
Shri Jyotindra Jain	05
Shri Jose Dominic	Nil

Note: The minutes of the Audit Committee meeting(s) are placed before the Board Meeting for noting and wherever required deliberated further and the Chairman of the Committee appraises the Board on the recommendations of the Committee.

(4) **Remuneration Committee:**

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

The part-time Government Directors (representing the Government of India) as well as the whole-time Functional Directors are not entitled to sitting fees. The Independent part-time Directors of the Corporation are paid sitting fee for attending meetings of the Board of Directors and Committee of Directors at the rate of Rs 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. Pay and allowances of employees are based on the Central DA/Industrial DA pattern as decided by the Government from time to time. The details of remuneration paid to the Directors during financial year 2008-09 is as under:-

Payment made to key management personnels and their relatives:

Remuneration	:	Rs. 36.33 lakh
Sitting fees	:	Rs. 0.28 lakh
	Total	Rs. 36.61 lakh

(5) **Share Transfer Committee:**

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

- Shri Parvez Dewan, C&MD* : Chairman
- Shri E. K. Bharat Bhushan, Director : Member
- Smt Leena Nandan, Director : Member
- Shri P.P. Singh, Director(Finance) : Member

During the year two meetings of Share Transfer Committee of the Board of Directors on Transfer of Shares took place on 31.10.2008 and 28.11.2008 and attendance of members is as follows:

Name of Director	No. of meetings attended
Shri Parvez Dewan, C&MD	2
Shri E. K. Bharat Bhushan, Director	2
Smt Leena Nandan, Director	2
Shri P.P. Singh, Director(Finance)	2

*Handed over charge to Shri Sanjay Kothari w.e.f. 01.12.2009

(6) **Redressal of Shareholders /Investors Grievances Committee**

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

- Shri E. K. Bharat Bhushan, Director : Chairman
- Shri Parvez Dewan, C&MD* : Member

- Smt Leena Nandan, Director : Member
- Shri P.P. Singh, Director(Finance) : Member

During the year one meeting of committee of the Board of Directors on Redressal of Shareholders/ Investors Grievances took place on 31.10.2008. Further during the year 4 complaints were received and resolved and no complaint was pending at the end of the financial year 2008-09.

*Handed over charge to Shri Sanjay Kothari w.e.f. 01.12.2009

(7) **General Body Meetings**

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

Financial Year ended	Day & Date	Time	Venue
31.3.2006	4.6.2007 (Monday)	1600 hrs	Ashok Hotel New Delhi-110021
31.3.2007	22.4.2008 (Tuesday)	1600 hrs	Ashok Hotel New Delhi-110021
31.03.2008	06.03.2009 (Friday)	1600 hrs	Ashok Hotel New Delhi-110021

Note: All the resolutions as set out in the respective AGM Notices were duly passed by the Members. No resolution was passed by Postal Ballot during the year under review. No Extra Ordinary General Body Meeting was held during the year by the Corporation.

(8) **Disclosures: Status**

(A) Disclosures on materially significant related party transactions

The Corporation has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Corporation at large.

(B) Legal Compliance

During last three years no penalties or strictures have been imposed on the Corporation by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital markets.

(C) Disclosure of Accounting Treatment: The Corporation has decided to postpone recognition of income from subsidiaries/ JV companies (most of these have significant accumulated losses) pertaining to management fees/ interest on loans and accounted for the same on receipt basis instead of an accrual basis, keeping in view the difficult financial position of these companies.

(D)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.

(E) The Corporation has complied with all the mandatory requirements of clause 49.

Risk Management

The Corporation is in the process of preparing a Risk Management Policy, which will lay down a sound process for identification and mitigation of risks.

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 31.10.2008 and 30.01.2009. The financial statements of subsidiary companies for the year 2008-09 are under compilation/ finalization.

Policy on Insider Trading

ITDC has adopted the Code of Conduct for prevention of Insider Trading in accordance with the guidelines specified under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

The Corporation, during the year, has not entered into transactions of material nature with the Directors/Senior Management Personnel of the Corporation that may have potential conflict with the interests of the Corporation at large.

(9) **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 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 2008-09)	Statesmen, Delhi Edition	03.08.2008
		Jansatta, Delhi Edition (Hindi Version)	03.08.2008
(ii)	Quarterly unaudited financial Statement (2nd quarter)	Statesmen, Delhi Edition	05.11.2008
		Jansatta, Delhi Edition (Hindi Version)	05.11.2008
(iii)	Quarterly unaudited financial results (3rd Quarter)	Statesman, Delhi	31.01.2009
		Jansatta, Delhi	31.01.2009
(iv)	Quarterly unaudited financial results (4th Quarter)	Statesman, Delhi	26.04.2009
		Jansatta, Delhi	28.04.2009
(v)	Annual Report and Annual accounts for 2007-08	By U.P.C.	11.02.2009
(vi)	Forwarded to Stock Exchanges	Unaudited results 1st Qtr.	30.07.2008
		Unaudited results 2nd Qtr.	31.10.2008
		Unaudited results 3rd Qtr.	30.01.2009
		Unaudited results 4th Qtr.	24.04.2009
		Audited Accounts (2007-08)	11.02.2009

(10) **General Shareholder Information:**

(i) AGM: The AGM will be held on Thursday, the 31st day of December, 2009 at 1600 hours at Hotel 'The Ashok' , New Delhi. The Ministry of Corporate Affairs (MCA) vide their letter no.9/132/2008-C.L.-V dated 30/09/2009 had granted extension of time upto 31st December 2009 for holding the AGM.

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

(iii) Book Closure: 30th December to 31st December, 2009 (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 2008-2009 to these stock exchanges. The addresses of these stock exchanges 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 – 110 002	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. As per newly introduced e-filing by the Ministry of Corporate Affairs, the Corporate Identification Number allotted to the Corporation is L 74899 DL 1965 SGC 004363.

v) Market Price data: High and Low of ITDC market share price on Bombay Stock Exchange. No. of shares traded, turnover in 2008-09 are summarized as under:-

Month	Rupees		Number of	Total
	High	Low	shares traded	Turnover (Rs)
April-08	94.90	86.10	300	27,140.00
May-2008	99.60	99.60	200	19,920.00

(vi) Registrar & Share Transfer Agent:
KARVY CUMPUTERSHARE PVT. LTD.
Plot No 17 to 24, Vithal Rao Nagar,
Madhapur, Hayderabad-500081
Contact person : Mr. V. K. Jayaraman / Mr. Mahindra Singh
Email : einward.ris@karvy.com
Tel No : 91 40 23420815-20, Fax No: 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 – 110 003.

(ix) Shareholding pattern and distribution of shareholding:-

The shareholding pattern of the Corporation's Equity as on 31.3.2009 is as under:-

Category	**No. of shareholders**	**No. of shares held**	**% of shareholding**
President of India	6	6,07,50,500	89.975
Indian Hotels Co. Ltd	1	67,50,275	9.998
Employees and General Public	99	18625	0.027
Total	106	6,75,19,400	100.00

The distribution of shareholding as on 31st March 2009, is as under: -

Nominal Value	**No of Share-holders**	**% of total shareholders**	**No of shares held**	**% of total shares held**
Upto 5,000	103	97.170	15325	0.023
5001 – 10,000	Nil	Nil	Nil	Nil
10,001 – 1,00,000	1	0.943	3800	0.005
1,00,001 & above	2	1.887	67500275	99.972
Total	106	100.00	67519400	100.00

Note: 18250000 numbers of shares has been allotted to President of India through preferential allotment on 14.09.2009 @Rs.40/- per share (including premium of Rs. 30/- per share) against share application money received in December, 2007. Due to this Paid-up Share Capital has been increased to Rs.85,76,94,000 comprising of 85769400 shares of Rs.10/- each.

(x) Dematerialization of Shares: The Corporation's share are admitted for dematerialization with NSDL and CDSL. The ISIN Number is INE353K01014.

(xi) Investors' Correspondence:

Investors, for any matter related to share transfer, payment of dividend on shares, etc may contact to the following:

Mr. V K Jain, Company Secretary, India Tourism Development Corporation Ltd. SCOPE Complex, Core 8, 6th Floor, 7 Lodi Road, New Delhi - 110 003. Email : vkjain@theashokgroup.com Tel No 011-24360249, Fax No 011-24360249	KARVY CUMPUTERSHARE PVT. LTD. Plot No 17 to 24, Vithal Rao Nagar, Madhapur, Hayderabad-500081 Contact person : Mr. V K Jayaraman/Mr. Mahindra Singh Email : einward.ris@karvy.com Tel No : 040-23420815-20, Fax No:040-23420814

(xii) Locations of hotels and others units etc: The list of Corporation's owned and managed hotels and Duty Free Shops, ATT Units etc are given in **Appendix**.

(xiii) ADR/GDR: No ADR/GDR issue was made by the Corporation nor any issue of any convertible instruments which has effect on the equity capital.

(xiv) Financial Calendar:-

1st Quarterly Results	:	on or before 31st July 2009
2nd Quarterly Results	:	on or before 31st October 2009
3rd Quarterly Results	:	on or before 31st January 2010
4th Quarterly Results	:	on or before 30th April 2010
AGM for the year ending 31st March 2009	:	Extension of time upto 31st December 2009 was obtained from the Ministry of Corporate Affair for holding the AGM.

(xv) There was no complaint of the shareholders/Investors forwarded to the Corporation by SEBI, Stock Exchanges & Ministry of Corporate Affairs during 2008-09. 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 2008-2009, are as under:-

Particulars	Received and Outstanding at the Beginning of the year	Redressed	Pending with Investors for completing procedural formalities
Nomination of Shares	1	1	Nil
Non-receipt of Annual Report	1	1	Nil
Disinvestment related	1	1	Nil
Clarification regarding SEBI Regulation	1	1	Nil

(xv) Nomination Facility: Shareholders holding shares in physical from 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.

(xvi) General Shareholder Information:

Registered Office:

India Tourism Development Corporation Ltd
SCOPE Complex, Core 8
6th Floor, 7-Lodi Road
New Delhi – 110 003
Tel No. (011) 2436 0249
Fax No (011) 2436 0249
E-mail: vkjain@theashokgroup.com

DECLARATION

As provided under clause 49 of the listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2009.

For India Tourism Development Corporation Ltd.

Sd/-
Sanjay Kothari
C & MD

भारत पर्यटन विकास निगम लि.
India Tourism Development Corporation Ltd.

(भारत सरकार का एक उपक्रम)
(A Government of India Undertaking)

तारीख
Date

निर्देश
Reference

CEO/CFO CERTIFICATION

It is certified that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2009 and that to the best of our knowledge and belief:

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

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards read alongwith 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 Company during the year which are fraudulent, illegal or violative of the Company'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 Company 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 Company's internal control system including frauds, if any.

For and on behalf of
India Tourism Development Corporation Ltd

Place : New Delhi
Dated : 07-12-09

(PP Singh)
Director(Finance)

(Sanjay Kothari)
Chairman & MD

रजिस्टर्ड कार्यालय : स्कोप कॉम्प्लैक्स, कोर 8, छठा तल, 7 लोदी रोड, नई दिल्ली 110003 • दूरभाष 91-11-24360303 फैक्स 91-11-24360233
Regd. Office : Scope Complex, Core 8, 6th Floor, 7 Lodi Road, New Delhi 110003 • Tel 91-11-24360303 Fax 91-11-24360233

KHANNA & ANNADHANAM
CHARTERED ACCOUNTANTS

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, 2009, 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, 2009 and furnished to us for the purpose of the review and the information and explanations given to us by the Corporation during the course of such review

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

4. In our opinion and to the best of our information and according to the explanation given to us, *subject to the following*:-

i) *As required by Para III of Clause 49 of the Agreement,*

(a) *The Audit Committee has not reviewed the Financial Statements of the unlisted subsidiary companies and the investments made by it during the year. However, The financial statements and investments of the unlisted subsidiary companies has been reviewed subsequent to the close of the year in the board meeting held on 30.7.2009*

KHANNA & ANNADHANAM CHARTERED ACCOUNTANTS NEW DELHI

BARAKHAMBA ROAD : 706, AKASHDEEP, 26-A, BARAKHAMBA ROAD, NEW DELHI-110001
TELE ; 91(11) 23315110, , 23315119 Fax: 91 (11) 23739216
E-mail: audit@vsnl.com
ASAF ALI ROAD : 3/7B, 2ND FLOOR, ASAF ALI ROAD, NEW DELHI-110002
TELE : 91 (11) 23244061, 23244062, 23244063 FAX : 91 (11) 23244475
E-mail:knatax@hotmail.com

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

iii) *As required by Para IV G of the Clause 49 of the Agreement, the requisite transfers were not given effect to within the stipulated period of 15 days of the share transfer committee meetings..*

Iv) *As required by Para VI of the Clause 49 of the Agreement, there is a delay of 15 days in submitting quarterly compliance report to the stock exchanges in Quarter 1.*

v) *The Corporation is yet to comply with the requirements of Stipulation in clause 32 of Standard Listing Agreement with Stock Exchanges as per the requirements of the Securities and Exchange Board of India, with regard to Accounting Standard 21-'Consolidated Financial Statements', Accounting Standard 23-'Accounting for investments in Associates in Consolidated Financial Statements' and Accounting Standard 27-' Financial reporting of interest in Joint Ventures'.*

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 Corporation.

For and on behalf of
Khanna & Annadhanam
Chartered Accountants

K. ANNA DHANAM & KHANNA CHARTERED ACCOUNTANTS NEW DELHI

(K.A.Balasubramanian)
Partner
Membership No. 17415

Place: New Delhi.
Dated: 8.12.09

Management's Replies to the Observations of Auditors on Corporate Governance

Audit Observations	Management's Reply
(i) As required by Para III of Clause 49 of the Agreement, (a) The Audit Committee has not reviewed the Financial Statements of the unlisted subsidiary companies and the investments made by it during the year. However, the financial statements and investments of the unlisted subsidiary companies has been reviewed subsequent to the close of the year in the Board Meeting held on 30.07.09.	 Noted for compliance.
(ii) As required by Para IV C of the clause 49 of the Agreement we are informed, the Corporation is in the process of Preparing a risk management policy.	Informatory Note
(iii) As required by Para IV G of the clause 49 of the Agreement, the requisite transfers were not given effect to within the stipulated period of 15 days of the share transfer committee meetings.	In one case, there is delay of 2 days. Noted for compliance.
(iv) As required by Para VI of the clause 49 of the Agreement, there is a delay of 15 days in submitting quarterly compliance report to the stock exchanges in Quarter I.	Noted for compliance
(v) The Corporation is yet to comply with the requirements of Stipulation in clause 32 of Standard Listing Agreement with Stock Exchanges as per the requirements of the Securities and Exchange Board of India, with regard to Accounting Standard 21-'Consolidated Financial Statements', Accounting Standard 23-'Accounting for investments in Associates in Consolidated Financial Statements' and Accounting Standard 27-'Financial reporting of interest in Joint Ventures'	The Annual Accounts of one subsidiary out of the seven subsidiary companies are not available for consolidation. Noted for compliance

Appendix

NETWORK OF ITDC SERVICES
(as on 31st March 2009)

A -- ASHOK GROUP OF HOTELS

01 Ashok Hotel, New Delhi
02 Hotel Janpath, New Delhi
03 Hotel Jammu Ashok, Jammu
04 Lalitha Mahal Palace Hotel, Mysore
05 Hotel Pataliputra Ashok, Patna
06 Hotel Jaipur Ashok, Jaipur
07 Hotel Kalinga Ashok, Bhubaneshwar
08 Hotel Samrat, New Delhi

B -- RESTAURANTS

01 Taj Restaurant, Agra
02 Airport Restaurant, Delhi

C -- TRAVEL/TRANSPORT UNITS

01 Varanasi
02 Bangalore
03 Chennai
04 Aurangabad
05 Patna
06 Delhi
07 Kolkata
08 Mumbai
09 Hyderabad
10 Guwahati
11 Ranchi

TOURIST SERVICE STATION

Chanakyapuri, New Delhi

D – DUTY FREE SHOPS

			No. of Shops
01	Goa Airport Arrival Lounge		1
02	Goa Airport Departure Lounge		1
03	Coimbatore Airport Arrival Lounge (opened in August, 2009)		1
		Total	**3**

E -- SOUND & LIGHT SHOW

1 Red Fort, Delhi
2 Sabarmati Ashram, Ahmedabad

F – JOINT VENTURE HOTELS

01 Hotel Brahmaputra Ashok, Guwahati
02 Hotel Ranchi Ashok,Ranchi
03 Hotel Nilachal Ashok Puri
04 Hotel Pondicherry Ashok
05 Hotel Lake View Ashok,Bhopal
06 Hotel Donyi Polo Ashok, Itanagar

G – MANAGED UNITS

01 Hotel Bharatpur Ashok, Bharatpur
02 Kosi Restaurant Kosi

H -- CATERING ESTABLISHMENTS

01 State Guest House & Hospitality Centre at Hyderabad House, Delhi
02 Western Court Catering Service, New Delhi
03 Ashok Mayur Restaurant at Vigyan Bhawan, New Delhi
04 Media Press Centre at Shastri Bhawan, New Delhi

ANNEXTURE

Government of India
Ministry of Tourism

Transport Bhawan,
Parliament Street,
New Delhi-110001

No. 5/1/2009-PSU(T)

Dated: 24.6.2009

To

The Chairman & Managing Director,
India Tourism Development Corporation Ltd.,
Scope Complex, Core-8, 6th Floor,
7 Lodhi Road,
New Delhi-110003.

Subject:- Selecting an associating party for Ministry of Tourism's advertising campaign.

Sir,

I am directed to refer to ITDC's letter No. SEC:93 dated 22.6.2009 on the above mentioned subject vide which the Company Secretary, ITDC has informed that the agenda titled Ministry of Tourism Advertising Campaign Tenders has been passed by the Board of Director of ITDC by majority vote obtained through circulation of agenda.

In this connection it is mentioned that both the Government Directors on the Board of ITDC viz. Joint Secretary & Financial Advisor (Tourism) and Joint Secretary (Tourism) expressed their dissent on the agenda due to lack of transparency and absence of procedural formalities in selecting an associating party for Ministry of Tourism's advertising campaign vide their notes dated 5.6.2009.

Contd...2/-

Government of India in the Ministry of Tourism expresses its strong reservation to the passage of the resolution despite the dissenting notes of its nominees on the Board of Directors of ITDC.

Therefore, in exercise of the powers vested with the President under Article 96 of the Memorandum and Articles of Association of India Tourism Development Corporation Ltd., it has been decided by the competent authority to advise you not to proceed with the plan of associating M/s. Span Communication as ITDC's party for Ministry of Tourism's campaign and treat the resolution which has been passed by the Board of Director of ITDC by majority vote obtained through circulation of agenda as void.

Yours faithfully,

(B.B.Roy)
Under Secretary to the Govt. of India

Annexure-IV

REPLIES TO THE COMMENTS CONTAINED IN STATUTORY AUDITORS REPORT TO THE SHAREHOLDERS ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

Sl no.	Para No.	Management Reply
1	4(i)	The demands of property tax and 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 No. 6(a)(i), 6(a)(ii),6(e)(ii) and note no.12 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 propoerties/assets of these subsidiary companies, the amount of investments, amount recoverable from these companies has been considered as good for recovery.
3	4(iii)	Position as explained above in reply to 4(ii) .
4	4(iv)(a)	Position has been explained in note no. 2(c) of the Notes to Accounts in Schedule 12 .
5	4(iv)(b)	Refer Note No. 4 of Notes to Accounts in Schedule 12.
6	4(v)	Refer note no. 8 on Disinvestment in Schedule 12 on Notes to Accounts.
7	4(vi)	Refer Note No. 3(b) of Notes to Accounts in Schedule 12.
8	4(vii)	Refer Note No. 6 (c) and 7(b) of notes to Accounts in Schedule-12.
9	4(viii)	Refer note no.4(e) and 4(f) of notes to accounts in Schedule 12.
10	4(ix)	Refer Note No. 6(b) of Notes to accounts in Schedule 12. As per consistent practice letters requesting parties to confirm the balances of outstandings, Loans and Advances are sent by the units/divisions. But the responses are received very rarely. Hence most of the balances remain unconfirmed. However , units/divisions have also been advised to send the letters for confirmation of balances twice a year i.e. as on 30th September and 31st March of the year.
11	4(x)	Refer Note No. 13 of notes to Accounts in Schedule-12.
12	4(xi)	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.
13	4(xii)	Refer note no.11 (c) (i) and 11 (c) (ii) of Notes to Accounts in Schedule 12.
14	5(a)	Regarding non receipt of information and explanation for the status of dues payable/ recoverable to/from M/s NBCC refer note no. 6(c) of notes to Accounts in Schedule 12. As regards confirmation of amount recoverable from demerged units refer note 8(b) of Notes to Accounts in Schedule 12.
15	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(g) 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. 14(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. 14(viii) of Notes to Accounts in Schedule 12.

Annexure V

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

Para No.	Management Replies
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- A

Statement pursuant to exemption under Section 212(8) of the Companies Act,1956 relating to subsidiary companies as on March 31,2009

Amount in Rs.

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 Corpn. Ltd.	2008-09	7160000	(20,611,228)	23,548,066	36,999,294	-	27,553,309	3,107,968	1,119,849	1,988,119	-
	2007-08	7160000	(22,599,347)	21,789,945	37,229,292	-	29,908,209	12,176,011	1,602,246	10,573,765	-
***MP Ashok Hotel Corpn. Ltd.	2007-08	16000000	(39,756,178)	39,930,957	63,687,135	-	41,204,947	2,785,049	-	2,785,049	-
	2006-07	16000000	(41,753,079)	31,785,542	57,538,621	-	29,941,261	2,386,923	-	2,386,923	-
*Pondicherry Ashok Hotel Corpn.Ltd.	2008-09	6000000	6,596,921	28,212,463	15,615,542	-	25,374,487	5,261,131	1,497,905	3,763,226	-
	2007-08	6000000	2,833,695	23,399,413	14,565,718	-	25,836,373	6,164,006	1,582,705	4,581,301	-
**Utkal Ashok Hotel Corpn. Ltd.	2008-09	48000000	(165,065,298)	12,176,118	129,241,416	-	343,600	(13,948,666)	-	(13,948,666)	-
	2007-08	48000000	(151,116,632)	12,833,981	115,950,613	-	7,972	(12,060,310)	-	(12,060,310)	-
**Punjab Ashok Hotel Co.Ltd.	2008-09	25000000	(1,254,246)	27,001,274	3,255,520	-	-	(54,986)	-	(54,986)	-
	2007-08	25000000	(1,199,259)	26,922,023	3,121,282	-	-	(93,360)	-	(93,360)	-
**Donyi Polo Ashok Hotel Corp. Ltd.	2008-09	9975000	6,985,307	26,287,189	9,326,882	-	19,087,440	5,076,354	1,578,419	3,497,935	-
	2007-08	9975000	3,487,371	29,288,164	15,825,793	-	20,001,865	7,187,402	2,798,861	4,388,541	1,995,000
**Assam Ashok Hotel Corp. Ltd.	2008-09	10000000	(41,498,767)	53,997,639	85,496,406	-	55,466,624	4,432,415	453,200	3,979,215	-
	2007-08	10000000	(45,477,982)	47,702,699	83,180,681	-	35,657,498	(22,652,421)	(1,176,512)	(21,475,909)	-

Notes: * The Annual Acounts of Pondicherry Ashok Hotel Corp. Ltd for the year 2008-09 were adopted in the AGM held on 30.09.09

** The Annual Accounts for the year 2008-09 were approved by their respective Board of Directors of subsidiary companies. AGM of these companies will be held for adoption of Audited Accounts after receipt of comments from C&AG.

***The Annual Accounts of M.P. Ashok Hotel Corp. Ltd. for the year 2008-09 is under finalisation /Audit and hence the figures given are for the year 2007-08

KHANNA & ANNADHANAM
CHARTERED ACCOUNTANTS

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, 2009 and also the profit and loss account and the cash flow statement of the Corporation for the year ended on that date annexed thereto, in which are incorporated the accounts of the Head Office and 4 units/branches audited by us and 35 units/ branches audited by respective branch auditors appointed by the Comptroller and Auditor General of India. These financial statements are the responsibiiity 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 of material misstatement. 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.

BARAKHAMBA ROAD : 706, AKASHDEEP, 26-A, BARAKHAMBA ROAD, NEW DELHI-110001
TELE ; 91(11) 23315110, , 23315119 Fax: 91 (11) 23739216
E-mail: audit@vsnl.com

ASAF ALI ROAD : 3/7B, 2ND FLOOR, ASAF ALI ROAD, NEW DELHI-110002
TELE : 91 (11) 23244061, 23244062, 23244063 FAX : 91 (11) 23244475
E-mail: knatax@rediffmail.com

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 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 Property Tax demands of Rs. 5,733.32 lakhs (Previous Year Rs 5,489.81 Lakhs) from NDMC in respect of certain properties and demand of Rs 436.60 lacs (Previous Year Rs 414.77 Lakhs) from ESI authorities, which are being disputed by the Corporation and not provided for (Refer Note Nos.1 (a)(i) & 2(b)).*

ii) *The corporation is due Rs.2,162.55 Lakhs as at 31.03.2009 (Rs 2,120.50 Lakhs upto 31.03.08) 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 31.03.2009 of Rs.759.70 lakhs (Previous Year Rs 759.70 Lakhs) .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 intrisic value of assets owned by these companies is considerable to recover the dues and cost of investments, though some of the companies are inoperational and the present net worth of most of these companies is in the negative (Refer Note No.6 (a)(i),(ii)).*

iii) *The Corporation has decided to recognize income from subsidiaries/JV companies (most of these have significant accumulated losses) on account of management fees/interest on loans on receipt basis instead of on accrual basis, keeping in view the difficult financial position of these companies. Consequent to this change income for the year and loans and advances have both been understated by Rs. 146.90 lacs. The manner of recognition of revenue, there being no significant uncertainty, is not in accordance with Accounting Standard-9-Revenue Recognition, specially when the amounts due/investments made have been considered good by the management. (Refer Note No 6(a)(ii) &12).*

iv) *(a) Compensation payable to a party , whose premises were under occupation by the Corporation's ATT Division , Delhi upto 28.02.2007has 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]

v) *Amount of Rs 1326.12 lakhs (Previous Year Rs 1326.12 lakhs) shown as recoverable from demerged units for the period from 1st April 2001 till the date of physical transfer on account of funds transferred and expenses incurred on*

NEW DELHI

behalf of the said units, but not received till date, has been considered good of recovery by the management. .[Refer Note No.8(b)]

vi) *Impairment in the value of assets / partly completed assets aggregating to Rs. 206.56 lakhs (Previous Year Rs 206.29 lakhs) included under capital work in progress has not been provided. [Refer Note No3(b)]*

vii) *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 No. 6(c) & 7(b)]*

viii) *Capitlisation effected/charged to expenditure on provisional/payment basis/pending/receipt of final bills / finalisation and certification by architects. Effect on the accounts on due adjustment there of, cannot be indicated at this stage. [Refer Note No's.4 (e)/4(f)]*

ix) *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)]*

x) *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 Rs. 50,000 (5,000 equity* *shares of Rs. 10 each) in the joint venture company, though the share certificates remained to be received from the JV company. Besides, the financial statements of the JV Company have not been received from inception till 31.03.2009.The Joint Venture partner has claimed Rs.684.96 lacs from the Corporation towards reimbursement of expenses incurred by it on the joint venture project which is under verification/acceptance to the claims. In the absence of financial statements and other supporting documentation, corporation's share of profit/loss and contribution towards expenses, if any, in connection with the running of the JV could not be ascertained and provided for. Effect on the accounts on due determination and accounting thereof cannot be indicated at this stage. (Refer Note No. 13).*

xi) *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))*

xii) *The Corporation has provided for Rs.663.42 lacs as interim relief in respect of C&D category of employees w.e.f. 01.01.2007, pending ascertainment of the final wage settlement payable. However, while working out the liability towards interim pay relief as above, the Corporation had not considered deductions/contributions towards statutory dues namely provident fund/ ESI etc.*

Effect on the accounts on due quantification of final wage settlement payable and statutory deductions and provision thereof cannot be indicated at this stage. (Refer Note No.11(c)(i)).

5. We further report that:

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

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

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

d) The balance sheet, profit and 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 and loss account and cash flow statement dealt with by this report comply with Accounting Standards

k

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 (g)] – 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. 14 (v) of Schedule-12] - Accounting Standard-19 – Leases.*
- *Except to the extent referred to in note 14(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 Para 4(i) and 4(iv)(a);*

b) *The adjustments that may arise pertaining to matters referred to in Para 4 (ii),4(iv) (b), 4 (vii), 4(viii),4(ix), 4(x) ,4(xi), 4(xii), which can not be quantified at this stage.*

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

	Particulars	Reported figure (Rs. In lacs)	Resultant figure (Rs. In lacs)	Impact (net of tax) (Rs. In lacs)
A.	Reserve & Surplus [Refer Paras 4(iii), 4(iv), 4(v)	18758.66	17,834.76	923.90
B	Capital Work-in-progress [Refer Para 4(v)]	910.62	704.06	206.56
C	Current Assets, Loans and Advances [Refer Paras 4(iii) & 4(iv)]	50158.73	48979.51	1179.22
D	Current Liabilities and Provisions (Tax Impact)	25593.30	25131.42	461.88

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 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, 2009,

ii) in the case of profit & loss account, of the profit for the year ended on that date, and

iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **Khanna & Annadhanam**
Chartered Accountants

(K.A.Balasubramanian)
Partner
M. No. 17415

Place: New Delhi
Date: 8.12.2009

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, 2009.

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) Except for sale of assets of duty free shops at Bangalore during the year on their closure and sales of other assets, in some of the units/ division, which have been classified as not in active use and held for sale and which were not significant taking the assets of the corporation as a whole, the corporation had not disposed off substantial portion of its 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/*

KHANNA & ANNADHANAM CHARTERED ACCOUNTANTS NEW DELHI

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 two units ATT Delhi and ATSS where the branch auditors 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, t*he value of shortages etc. has not been ascertained and shown separately. In this connection refer to our comment in para 2(b) above also.*

3. The Corporation has neither taken nor granted any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under

section 301 of the Companies Act, 1956.Accordingly provisions of clauses 4(iii)(b),(c),(d),(e),(f),and (g) of the said order are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Corporation and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and rendering of services *except at some branches wherein the branch auditors have reported, that the evaluation of the prevailing internal control structure and its operation disclosed weak internal control systems and which is not adequate and commensurate with the size of the branch and the nature of its business, with regard to purchase of inventory and recording, purchase of fixed assets, sale of goods and services, deposit of Foreign Currency cash at Duty free shop units income from licenses, maintenance of accounting records, reconciliation of control accounts, extension of credit, issuance of credit notes, purchase and consumption of raw materials, cost of services rendered, stores, stocks, issuance of material, valuation of inventories at DFS units (at Goa), and which need to be improved / strengthened. There has been continuing failure to correct major weaknesses in internal control systems, reported by the internal auditors in the previous year on similar lines, at these branches.*

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

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

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

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

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

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

branch auditors regarding irregularity in deposit / non-deposit of undisputed statutory dues.

According to the information and explanations given to us and as reported by the branch auditors in their reports, the undisputed amounts payable in respect of outstanding statutory dues that were in arrears, as on 31.03.2009 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 lacs)	Period to which the amount relates
ESI, Vigyan Bhawan ,	ESI	4.79	More than six months
Hyderabad House		1.72	
Janpath		25.84	
Ashoka		117.79	
Samrat		49.77	
IGIAR		1.02	
Sales Tax & VAT, ATT Chennai	Sales Tax, VAT	1.25	More than six months
Expenditure Tax, Patliputra Ashok, Kalinga	Expenditure Tax	2.32	More than six months

(b) According to the information & explanations given to us and as reported by the branch auditors in their reports, dues of Provident Fund, Investor Education and Protection Fund, Employee's 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 lacs)	Period to which the amount relates	Forum where dispute is Pending
The Delhi Sales tax Act, 1975	Local Sales Tax	6196.17	1990 to 2005	Various Authorities
The Central Sales Tax Act, 1956	Central Sales Tax	12.84	1987 to 2002	Various Authorities
Andhra Pradesh VAT Act, 2005	Local Sales Tax	327.15	2005 to 2007	Hyderabad High Court
Karnataka Sales Tax Act, 2004	Local Sales Tax	420.71	2004-2005	Karnataka High Court
Orissa Sales Tax act	Sales Tax	0.72	1988 to 2005	Various Authorities
Maharashtra Sales Tax Act	Sales Tax	2465.37	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 Maharashtra Luxury Tax Act	Luxury Tax	19.90	1993-1995	Maharashtra Sales Tax Tribunal
The Income Tax Act, 1961	Income Tax	363.21	1992-93, 1994-95, 1995-96	Income Tax Appellate Tribunal
Property Tax Act	Property Tax	5733.32	1987-88 onwards	Delhi High Court
Customs Act, 1962 Mumbai	Custom Duty	21825.66	1995 to 2008	Commissioner (Appeals)
Customs Act, 1962 Hyderabad	Custom Duty	2.14	2006-07	Committee on Disputes
Provident Fund	(PF)	43.31	1982-83 onwards	High Court
Service Tax, IGIAR	Service Tax	11.18	2007-08 & 2008-09	CESTAT, Delhi
Customs Authority by Kolkata	Custom Duty	45.17	2003	Committee on Disputes
Customs Authority, Delhi	Custom Duty	8.84	2005-06	Customs Authority
Excise Duty, Kalinga	Excise Duty	13.33	2002-03	High Court,Orissa
Employees State Insurance Janpath Ashok Samrat IGIAR Taj Restt	ESI	 27.91 368.49 21.91 11.04 7.25	Earlier Years	High Court of Delhi

10. Even after considering the effects of quantified qualifications, in our opinion, the Corporation does not have any losses / accumulated losses. The Corporation has not incurred cash loss during the financial year covered by our audit or in the immediately preceding financial year. However, t*he 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

KHANNA & ANNA DHANAM NEW DELHI ACCOUNTANTS of subsidiary companies are held by the Corporation in its own name and are not traded.

15. Except for a guarantee of Rs. 90 lacs 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 **Khanna & Annadhanam**
Chartered Accountants

KHANNA & ANNADHANAM NEW DELHI CHARTERED ACCOUNTANTS

(K. A Balasubramanian)
Partner
Membership No. 17415

Place: New Delhi
Date: 8.12.2009

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

BALANCE SHEET AS AT 31st MARCH, 2009

Particulars	Schedule			As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
A.SOURCE OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1			675,194,000	675,194,000
Share Application Money				730,000,000	730,000,000
Reserves and Surplus	2			1,875,866,870	1,722,375,862
Deferred Government Grants				2,056,344	2,140,251
LOAN FUNDS					
Secured loan	3			-	74,134
		TOTAL		3,283,117,214	3,129,784,247
B.APPLICATION OF FUNDS					
FIXED ASSETS					
In Use:					
Gross Block	4A		1,189,778,637		1,139,681,172
Less:Depreciation			729,445,285		708,222,333
Net Block			460,333,352		431,458,839
Not in active use:					
Gross Block	4B		11,413,241		12,371,503
Less:Depreciation			9,960,953		10,887,756
Less: Provision For Diminuition			949,687		932,484
Net Block			502,601		551,263
Capital Work-In-Progress:	4C		91,062,480		30,280,290
				551,898,433	462,290,392
INVESTMENTS	5			83,094,700	81,109,625
DEFERRED TAX ASSET(Net)				169,685,506	138,452,496
CURRENT ASSETS, LOANS AND ADVANCES	6				
Interest Accrued		58,035,584			58,620,088
Inventories		98,535,678			94,772,483
Sundry Debtors		812,495,748			1,235,558,187
Cash and Bank Balances		3,158,523,806			3,564,972,338
Loans and Advances		888,281,752			1,043,425,109
			5,015,872,568		5,997,348,205
LESS:CURRENT LIABILITIES AND PROVISIONS	7				
Current Liabilities		1,803,619,740			2,571,567,875
Provisions		755,710,838			1,003,716,210
			2,559,330,578		3,575,284,085
NET CURRENT ASSETS				2,456,541,990	2,422,064,120
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)					
Deferred Revenue Expenditure				21,896,585	25,867,614
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	12				
		TOTAL		3,283,117,214	3,129,784,247

SCHEDULES 1 TO 12 FORM AN INTEGRAL PART OF THE ACCOUNTS

(V.K.Jain)	**(A.K.Jain)**	**(P.P.Singh)**	**(Sanjay Kothari)**
Company Secretary	General Manager(F&A)	Director(Finance	Chairman & Managing Director

As per our Report of even date
For and on behalf
Khanna & Annadhanam
Chartered Accountants

(K.A.Balasubramanian)
Partner
(M.No.17415)

Date :
Place : New Delhi

KHANNA & ANNADHANAM
NEW DELHI
CHARTERED ACCOUNTANTS

8 DEC 2009

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

Particulars	Schedule		Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
INCOME				
Sales, Income from Services Rendered and Other Income	8		4,106,714,744	4,702,713,961
EXPENDITURE				
Cost of Material & Services	9		1,048,650,004	1,649,591,021
Employees' Remuneration and Benefits	10		1,159,123,116	881,550,438
Operating and Other Expenses	11		1,540,571,171	1,417,613,688
Interest on Loans			218,092	155,058
Depreciation		42,796,074		45,474,093
Less: Attributed to the Projects		(19,200)	42,776,874	(19,200)
TOTAL			3,791,339,257	3,994,365,098
PROFIT FOR THE YEAR BEFORE PROVISIONS WRITTEN BACK/ EXTRAORDINARY ITEMS/PRIOR PERIOD ADJUSTMENTS			315,375,487	708,348,863
-Provisions no Longer Required Written Back			71,114,582	20,501,135
-Prior Period Income		(122,176)		(5,276,163)
-Prior Period Expenses		4,446,885		29,504,820
-Net Prior Period Income/(Expenditure)			(4,569,061)	(34,780,983)
PROFIT BEFORE TAX			381,921,008	694,069,015
PROVISION FOR TAX				
-Current Tax		(160,000,000)		(285,000,000)
-Deferred Tax		31,233,010		38,188,240
-Fringe Benefit Tax		(4,100,000)		(5,000,000)
-Wealth Tax		-		-
			(132,866,990)	(251,811,760)
ADD:				
-Income Tax / FBT For Earlier Year Written Back			4,609,984	(1,494,734)
-Transfer from Currency Translation Reserve			157,073	-
PROFIT AFTER TAX			253,821,075	440,762,521
AMOUNT AVAILABLE FOR APPROPRIATION			253,821,075	440,762,521
APPROPRIATIONS				
-Proposed Dividend			85,769,400	135,038,800
-Dividend Tax			14,403,594	22,949,844
-Transfer to General Reserve			153,648,081	282,773,877
			253,821,075	440,762,521
Earning Per Share (Basic)			3.76	6.53
Earning Per Share (Diluted)			2.96	6.09
(Refer Note No.14(vi), Schedule-12)				

(V.K.Jain) Company Secretary

(A.K.Jain) General Manager(F&A)

(P.P.Singh) Director (Finance)

(Sanjay Kothari) Chairman & Managing Director

As per our Report of even date
For and on behalf of
Khanna & Annadhanam
Chartered Accountants

(K.A.Balasubramanian)
Partner
(M.No.17415)

KHANNA & ANNADHANAM NEW DELHI CHARTERED ACCOUNTANTS

Date :
Place : New Delhi

18 DEC 2009

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

SHARE CAPITAL **SCHEDULE - 1**

Particulars	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
Authorised		
15,00,00,000 Equity Shares of Rs 10 each	1,500,000,000	750,000,000
(P.Y. 7,50,00,000 Equity Shares of Rs. 10 each)		
Issued, Subscribed and Paid up *		
6,75,19,400 Equity Shares of Rs 10 each fully paid up	675,194,000	675,194,000
(P.Y. 6,75,19,400 Equity Shares of Rs. 10 each fully paid up)		
TOTAL	675,194,000	675,194,000

* Notes

a) 15,238 Equity Shares of Rs 100 each (since converted into 1,52,380 equity shares of Rs 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 Rs 100 each (since converted into 7,50,000 equity shares of Rs. 10 each) were alloted as fully paid up in consideration for transfer of ownership of some properties.

NEW DELHI

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

RESERVES AND SURPLUS **SCHEDULE - 2**

Particulars	Rs.	As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
1 **Capital Reserve**		2,353,774	2,353,774
2 **Currency Translation Reserve**			
Opening Balance	157,073		157,073
LESS:Transferred to Profit & Loss account	157,073		-
		-	157,073
3 **General Reserve**			
Opening Balance	1,719,865,015		1,437,091,138
Add:Transferred from Profit & Loss account	153,648,081		282,773,877
		1,873,513,096	1,719,865,015
TOTAL		1,875,866,870	1,722,375,862

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

SECURED LOAN **SCHEDULE - 3**

Particulars	As AT 31.03.2009 RS.	As At 31.03.2008 RS.
Loan from HDFC Bank Ltd. against Hypothecation of Cars (Repayable within one year Rs. NIL .PY- 74,134/-)	-	74,134
TOTAL	-	74,134

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

FIXED ASSETS **SCHEDULE - 4A**

S.No.	Particulars	GROSS BLOCK Up to 31.03.2008	GROSS BLOCK Additions during the year	GROSS BLOCK Less:- Sales, Transfers, Write-Offs and Adjustments during the year	GROSS BLOCK Up to 31.03.2009	DEPRECIATION Up to 31.03.2008	DEPRECIATION For the year	DEPRECIATION Less:- Sales, Transfers, Write-Offs and Adjustments during the year	DEPRECIATION Up to 31.03.2009	NET BLOCK As at 31.03.2009	NET BLOCK As at 31.03.2008
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Leasehold Land	32,659,920	-	-	32,659,920	2,847,571	98,061	-	2,945,632 *	29,714,288	29,812,349
2.	Freehold Land	2,059,473	-	-	2,059,473	224,426 ***	-	-	224,426	1,835,047	1,835,047
3.	Building and Roads	248,447,751	224,225	-	248,671,976 **	121,197,446	4,512,477	0	125,709,923	122,962,053	127,250,305
4.	Sanitary Installations	28,198,227	364,801	14,980	28,548,048	25,522,633	106,688	14,231	25,615,090	2,932,958	2,675,594
5.	Plant and Machinery	122,476,456	332,870	2,710,863	120,098,463	89,972,198	3,758,600	2,573,123	91,157,675	28,940,788	32,504,258
6.	Electrical Installations	89,040,219	14,117,468	1,011,876	102,145,811	55,601,064	4,071,327	928,994	58,743,397	43,402,414	33,439,155
7.	Lifts	19,217,288	4,069,374	-	23,286,662	18,276,360	347,356	-	18,623,716	4,662,946	940,928
8.	Kitchen Equipments	34,905,461	881,659	1,665,075	34,122,045	26,691,926	1,164,803	1,581,388	26,275,341	7,846,704	8,213,535
9.	Sound System and Musical Instruments	70,038,845	10,966,747	3,813,463	77,192,129	33,859,870	4,888,779	2,484,686	36,263,963	40,928,166	36,178,975
10.	Furniture, Fixtures and Furnishings	232,774,678	21,323,895	9,061,689	245,036,884	171,379,466	12,068,282	7,652,650	175,795,098	69,241,786	61,395,212
11.	Office Equipment including Computers	100,821,242	12,450,716	1,802,747	111,469,211	63,886,520	6,004,531	1,612,110	68,278,941	43,190,270	36,934,722
12.	Air-Conditioners, Coolers and Refrigerators	141,151,271	3,475,729	3,128,373	141,498,627	85,162,882	4,520,985	2,978,533	86,705,334	54,793,293	55,988,389
13.	Vehicles	17,890,341	6,960,376	1,861,329	22,989,388	13,599,971	1,254,185	1,747,407	13,106,749	9,882,639	4,290,370
	Total	1,139,681,172	75,167,860	25,070,395	1,189,778,637	708,222,333	42,796,074	21,573,122	729,445,285	460,333,352	431,458,839
	Previous Year	1,098,553,306	78,772,162	37,644,296	1,139,681,172	690,976,494	45,474,093	28,228,254	708,222,333	431,458,839	-

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

** Includes staff quarters of value of Rs.194.03 lakhs(Previous Year Rs.194.03 Lakhs). However this figure does not include value of staff quarters at some units,as the cost could not be ascertained separtely.

*** Includes amortisation of leasehold residential flats at Headquarters before their conversion into Freehold.

& ANNA DHANAM
NEW DELHI
ACCOUNTANTS

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

FIXED ASSETS NOT IN ACTIVE USE **SCHEDULE-4B**

Particulars	Gross Block: Up To 31.03.2008	Gross Block: Addition During the year	Gross Block: Less:- Sales, Transfers, Write-Offs and Adjustments During the year	Gross Block: Cost as on 31-03-2009	Depreciation: Up To 31.03.2008	Depreciation: Addition During the year	Depreciation: Less:- Sales, Transfers, Write-Offs and Adjustments During the year	Depreciation: Accumulated Depreciation upto 31-03-2009	Net Block: Depreciated Value as on 31-03-2009	Net Block: Net Realisable Value as on 31-03-2009	Balance Provided For
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Net Realisable value is more than depreciated value:-											
Airconditioners, Coolers and Refrigerators	1,265,378	199,839	68,460	1,396,757	1,195,630	181,386	58,558	1,318,458	78,299	78,299	-
Office and Miscellaneous Equipments	1,227,699	29,856	228,018	1,029,537	1,124,559	21,281	216,617	929,223	100,314	100,314	-
Furniture, Fixtures & Furnishings	2,129,010	572,757	-	2,701,767	2,023,244	544,119	-	2,567,363	134,404	134,404	-
Kitchen Equipment	-	64,594	-	64,594	-	54,926	-	54,926	9,668	9,668	-
Sanitary Installations	82,499	-	-	82,499	78,374	-	-	78,374	4,125	4,125	-
Sound System & Musical Instruments	4,444,970	-	1,869,566	2,575,404	4,223,319	-	1,776,686	2,446,633	128,771	128,771	-
Electrical Installations	-	44,254	-	44,254	-	42,041	-	42,041	2,213	2,213	-
Plant and Machinery	60,920	58,323	-	119,243	57,874	55,407	-	113,281	5,962	5,962	-
Vehicles	9,233	-	-	9,233	8,771	-	-	8,771	462	462	-
Total-A	9,219,709	969,623	2,166,044	8,023,288	8,711,771	899,160	2,051,861	7,559,070	464,218	464,218	-
B. Net Realisable value is less than depreciated value:-											
Airconditioners, Coolers and Refrigerators	97,167	-	-	97,167	92,546	-	-	92,546	4,621	0	4,621
Office and Miscellaneous Equipments	589,064	-	-	589,064	437,162	-	(57)	437,219	151,845	6,168	145,677
Furniture, Fixtures & Furnishings	1,167,659	2,315	4,447	1,165,527	976,522	1,411	4,447	973,486	192,041	31,615	160,426
Kitchen Equipment	12,553	-	-	12,553	12,418	-	-	12,418	135	-	135
Sound System & Musical Instruments	130,021	-	(240,291)	370,312	121,501	-	(228,877)	350,378	19,934	600	19,334
Electrical Installations.	1,155,330	-	-	1,155,330.00	535,836	-	-	535,836	619,494	-	619,494
Plant and Machinery	-	-	-	-	-	-	-	-	-	-	-
Total-B	3,151,794	2,315	(235,844)	3,389,953	2,175,985	1,411	(224,487)	2,401,883	988,070	38,383	949,687
Total (A+B)	12,371,503	971,938	1,930,200	11,413,241	10,887,756	900,571	1,827,374	9,960,953	1,452,288	502,601	949,687
Previous Year	22,256,064	8,575,199	18,459,760	12,371,503	21,004,764	7,287,749	17,404,757	10,887,756	1,483,747	564,363	932,484

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

CAPITAL WORK-IN-PROGRESS **SCHEDULE - 4C**

	Particulars		As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
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		68,367,738	21,694,521
2	Expenses Attributed to Projects pending Allocation		6,995,163	6,584,784
3	Capital Goods in Hand and in Transit		15,744,893	2,000,985
			91,107,794	30,280,290
	- Less:- Provision for Impairment Loss		45,314	-
		TOTAL	* 91,062,480	30,280,290

* It includes Rs. 208.13 lakhs. (Previous year Rs. 208.45 lakhs) being carried forward for more than five years.

KHANNA & ANNA DHANAM
NEW DELHI
CHARTERED ACCOUNTANTS

INVESTMENTS (at cost) **SCHEDULE - 5**

Particulars			As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
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 Rs.10 each			11,900,000	11,900,000
ii) 35,00,000 (P.Y. 35,00,000) fully paid 14% non-cumulative preference shares of Rs.10 each redeemable on 30.3.2017			35,000,000	35,000,000
2 Ranchi Ashok Bihar Hotel Corporation Ltd. ** 3,652 (P.Y. 3,652) fully paid up equity shares of Rs.1,000 each			3,652,000	3,652,000
3 Madhya Pradesh Ashok Hotel Corporation Ltd. 8,160 (P.Y.8,160) fully paid up equity shares of Rs.1,000 each			8,160,000	8,160,000
4 Assam Ashok Hotel Corporation Ltd. 5,100 (P.Y.5,100) fully paid up equity shares of Rs.1,000 each			5,100,000	5,100,000
5 Pondicherry Ashok Hotel Corporation Ltd. 3,060 (P.Y.3,060) fully paid up equity shares of Rs 1,000 each			3,060,000	3,060,000
6 Donyi Polo Ashok Hotel Corporation Ltd. 50,896 (P.Y.50,896) fully paid up equity shares of Rs 100 each			5,089,600	5,089,600
7 Punjab Ashok Hotel Company Ltd. 12,75,000 (P.Y.12,75,000) fully paid up equity shares of Rs 10 each			12,750,000	12,750,000
			84,711,600	84,711,600
Less:-Provision for diminition in the value of Investment in Ranchi Ashok Bihar Hotel Corporation Ltd.**			3,652,000	3,652,000
	TOTAL 'A'		81,059,600	81,059,600
B. Shares in Joint Venture Company Trade(Unquoted)				
ITDC Aldeasa India Private Limited***				
5,000 fully paid equity shares of Rs.10/- each		50,000		50,000
Less:-Provision for diminution in the value of Investment		50,000		-
	TOTAL 'B'		-	50,000
C Others (Unquoted)				
1 One fully paid ordinary share in Delhi Maida Consumers Cooperative Society Ltd., Delhi			25	25
2 Investment in Patnership Firm				
-ITDC Showtime Consortium****				
Capital contribution during the year		200,000		-
Add/(Less):- Share of Profit for the year		1,878,357		-
Less:- Amount received during the year		43,282		-
			2,035,075	-
	TOTAL 'C'		2,035,100	25
	TOTAL 'A+B+C'		83,094,700	81,109,625

* The Shares are not transferable without the consent of Co-promoters within ten years.Even after ten years,shares cannnot be transferred to private parties.
** Refer Note No.5 to the Notes to Accounts (Schedule-12)
*** Refer Note No. 13 to the Notes to Accounts(Schedule-12)
****Refer Note No. 7(p) to the Notes to Accounts(Schedule-12)

KHANNA & ANNADHANAM CHARTERED ACCOUNTANTS NEW DELHI

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

CURRENT ASSETS,LOANS AND ADVANCES — SCHEDULE - 6

Particulars			As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
A. CURRENT ASSETS				
I. Interest Accrued on:				
Deposits		52,660,440		52,110,712
Loans to Employees		5,375,144		6,509,376
			58,035,584	58,620,088
II. Inventories:				
(As per inventories prepared, valued and certified by the Management at lower of cost or net realisable value)				
Stores and Spares	23,821,605			24,825,039
Tools	27,728			26,809
Crockery, Cutlery, Glassware and Linen etc.in hand and in use	21,534,214			20,942,943
Stocks and Stores (others)	59,944,018			56,198,641
Goods -in-transit	1,203,774			-
		106,531,339		101,993,432
Less :- Provision for Inventry Write Down		7,995,661		7,220,949
			98,535,678	94,772,483
III. Sundry Debtors :				
Debtors outstanding for a period exceeding six months:-				
Considered Good-(Secured)	3,707,292			1,612,356
Considered Good (Un-Secured)	321,236,944			276,339,065
Considered Doubtful	145,701,932			157,586,589
		470,646,168		435,538,010
Other debtors :				
Considered Good (Secured)	8,772,119			6,767,818
Considered Good (Un-Secured)	478,779,393			950,838,948
Considered Doubtful (Un-Secured)	-			174,266
		487,551,512		957,781,032
		958,197,680		1,393,319,042
Less: Provision for Doubtful Debts		145,701,932		157,760,855
			812,495,748	1,235,558,187
IV. Cash and Bank Balances:				
Cash balance on hand (Including Imprest & Foreign Currency Notes)		2,363,778		6,010,193
Cheques in hand		100,781,582		58,616,413
Stamps in hand		18,587		130
Balance with Scheduled Banks :				
In Current Accounts		169,965,209		289,396,658
In Deposit Accounts[includes Fixed Deposits of Rs.11,06,296/-(P.Y.Rs.6,56,77,642/-) lodged as security]		2,885,394,650		3,210,948,944
Balance with Non Scheduled Banks:				
In Current Account with Refidien Bank of Baghdad (ID) [Maximum Balance at any time during the year Rs 1,22,956 (P.Y.Rs.1,22,956)]	122,956			122,956
Less:- Provision for Doubtful recovery	122,956	-		122,956
			3,158,523,806	3,564,972,338
B. LOANS AND ADVANCES				
Advances recoverable in cash or in kind or for value to be received:				
Secured (loans to staff)		1,889,644		1,079,290
Unsecured:				
Considered Good (Recoverable from Subsidiaries)	181,533,947			177,318,847
Considered Good (Others)	373,272,657			446,125,172
Considered Doubtful (Recoverable from Subsidiaries)	500,000			500,000
Considered Doubtful (Others)	41,105,639			39,731,810
	596,412,243			663,675,829
Less: Provision for Doubtful Advances	41,605,639			40,231,810
		554,806,604		623,444,019
Security Deposits				
Considered Good	12,825,153			16,110,399
Considered Doubtful	2,476,355			1,262,321
	15,301,508			17,372,720
Less: Provision for Doubtful Security	2,476,355			1,262,321
		12,825,153		16,110,399
Advance Income Tax and Tax Deducted at Source		315,569,966		399,591,062
Sales Tax paid in advance.		63,000		28,000
Fringe Benefit Tax paid in advance		3,127,385		3,172,339
			888,281,752	1,043,425,109
TOTAL			5,015,872,568	5,997,348,205

KHANNA & ANNADHANAM CHARTERED ACCOUNTANTS NEW DELHI

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

CURRENT LIABILITIES AND PROVISIONS **SCHEDULE - 7**

Particulars		As At 31.03.2009 Rs.	As At 31.03.2008 Rs.
A. CURRENT LIABILITIES			
Sundry Creditors		813,105,707	1,272,459,752
Security Deposits and Retention Money		208,801,950	169,231,118
Advances from Customers		612,291,590	814,386,117
Other Liabilities		169,420,493	315,490,888
		1,803,619,740	2,571,567,875
B.PROVISIONS			
For Proposed Dividend		85,769,400	270,077,600
For Tax on Proposed Dividend		14,403,594	45,899,688
For Leave Encashment		280,182,828	193,584,607
For Income Tax		160,000,000	285,000,000
For Fringe Benefit Tax		4,100,000	5,000,000
For Wealth Tax		-	-
For Retirement Gratuity	473,567,057		390,573,941
Less : Fund size of investment with LIC as per Gratuity Policy	262,312,041		186,419,626
		211,255,016	204,154,315
		755,710,838	1,003,716,210
	TOTAL	2,559,330,578	3,575,284,085

KHANNA & ANNADHANAM CHARTERED ACCOUNTANTS NEW DELHI

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

SALES, INCOME FROM SERVICES RENDERED AND OTHER INCOME **SCHEDULE - 8**

Particulars		Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
A. SALES LESS RETURNS			
Food	461,650,547		547,858,983
Beer, Wine & Spirits	193,649,603		327,231,001
Cigars and Cigarettes	22,463,124		57,452,033
Soft Drinks	30,356,703		29,964,625
Cameras, Watches and Tape recorders	208,425		4,207,959
Perfumes	563,062		2,845,365
Petrol, Oil and Lubricants	80,970,716		76,892,404
Miscellaneous Sales	10,067,927		34,410,990
		799,930,107	1,080,863,360
B. INCOME FROM SERVICES RENDERED			
Room Rent	1,160,349,741		1,294,409,386
Licence Fee	159,322,043		126,915,035
Traffic Earnings and Package Tours	123,942,312		112,745,766
Son-et-Lumiere & Cultural Shows	6,470,791		6,111,260
Electricity Charges	30,727,750		24,486,192
Telephone Services	1,542,268		2,771,584
Advertisement Income	515,362,570		846,799,716
Revenue from execution of Projects	176,983,450		240,267,150
Management/Consultancy /Event Mgt./Training Fees	184,616,140		259,049,881
Money Changing Business (Net)	-		557,310
Travel Services	540,706,110		373,353,165
		2,900,023,175	3,287,466,445
C. OTHER INCOME			
Interest (Gross) from:-			
Banks / Financial instutions	300,736,104		229,732,101
Loans to Employees	164,016		258,316
On Income Tax Refunds	1,969,307		-
Others[Includes Rs.5.18 lakhs (P.Y.Rs.81.95 lakhs) on loans to Subsidiary Co's.]	576,494		8,195,182
[Tax deducted at source Rs.6,26,80,603/- (P.Y.Rs 4,89,95,389)]		303,445,921	238,185,599
Dividend received from Subsidiary Companies(Gross)		1,017,450	1,017,450
Profit on Sale of Assets	2,469,279		1,351,295
Product Incentive	329,688		2,816,759
Gain on Foreign Exchange Variation	1,666,043		15,912,336
Grant from Ministry of Tourism	83,907		83,908
Share of Profitfrom partnership Business	1,878,357		-
Miscellaneous Income	95,870,817		75,016,809
		102,298,091	95,181,107
TOTAL		4,106,714,744	4,702,713,961

KHANNA & ANNADHANAM
NEW DELHI
CHARTERED ACCOUNTANTS

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

COST OF MATERIAL AND SERVICES **SCHEDULE - 9**

Particulars			Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
Cost of Consumption of Raw Materials, other materials sold and Services rendered				
a. **Provisions, Beverages & Smokes**				
Opening Stock		9,128,054		16,175,528
Purchases and Adjustments *(including value of own production)*		169,638,299		179,226,055
		178,766,353		195,401,583
Less: Transfers and Adjustments(at cost)	15,758,451			11,745,899
Closing Stock	11,195,219			9,128,054
		26,953,670		20,873,953
			151,812,683	174,527,630
b. **Wines and Liquors**				
Opening Stock		36,662,112		97,579,043
Purchases and Adjustments		48,679,813		154,745,394
		85,341,925		252,324,437
Less: Transfers and Adjustments(at cost)	1,119,196			50,314,362
Closing Stock	38,602,431			36,662,112
		39,721,627		86,976,474
			45,620,298	165,347,963
c. **Other Materials**				
Opening Stock		8,282,197		14,344,099
Less: Adjustment of Value Added Tax		-		-
Purchases and Adjustments		81,203,801		95,424,950
		89,485,998		109,769,049
Less: Transfers and Adjustments(at cost)	295,905			1,369,129
Closing Stock	7,384,783			8,282,197
		7,680,688		9,651,326
			81,805,310	100,117,723
d. **Cost of Services Rendered/Purchased**				
-Execution of Projects		157,789,385		210,896,511
-Other Services		611,622,328		998,701,194
			769,411,713	1,209,597,705
TOTAL			1,048,650,004	1,649,591,021

KHANNA & ANNADHANAM
NEW DELHI
CHARTERED ACCOUNTANTS

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

EMPLOYEES' REMUNERATION AND BENEFITS **SCHEDULE - 10**

Particulars	Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
Salaries, Wages & Bonus	929,075,600	649,011,755
Employers Contribution to Provident & Other Funds	74,097,783	56,547,739
Staff Welfare Expenses (Including contribution to Staff Welfare Fund)	52,223,850	83,690,440
Uniforms	5,327,324	6,770,916
Deferred Revenue Expenditure (VRS) Written Off	16,210,835	21,939,588
Provision/contribution to Employees Gratuity Scheme (Net) *	107,100,701	82,096,104
	1,184,036,093	900,056,542
Less : Charged to the projects of the Ministry of Tourism	5,505,650	3,402,619
Charged to Ministry of External Affairs	19,407,327	15,103,485
TOTAL	1,159,123,116	881,550,438

*Refer note 14(ii) to Notes to Accounts.(Schedule-12)

KHANNA & ANNADHANAM NEW DELHI CHARTERED ACCOUNTANTS

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

OPERATING AND OTHER EXPENSES **SCHEDULE - 11**

Particulars		Year Ended 31.03.2009 Rs.	Year Ended 31.03.2008 Rs.
Travelling and Conveyance			
(a) Directors	1,576,790		1,222,607
(b) Officers and Staff	18,361,827		14,584,813
(c) Staff Car Expenses	2,779,010		2,650,913
		22,717,627	18,458,333
Rent,Rates,Taxes and Insurance			
(a) Rent	65,219,821		160,845,809
(b) Rates & Taxes	19,377,072		19,216,578
(c) Insurance	1,771,613		3,157,635
		86,368,506	183,220,022
Repairs and Maintenance			
(a) Plant and Machinery	82,323,526		85,477,763
(b) Buildings	92,726,034		120,304,355
(c) Vehicles	1,153,648		1,141,504
(d) Others	58,349,992		66,168,572
		234,553,200	273,092,194
Auditors' Remuneration (Including Branch Auditors)			
(a) Audit Fees	757,336		726,689
(b) In other capacity in respect of :			
(i) Tax Audit Fees	226,570		218,392
(ii) Certification	33,605		51,674.00
(iii) Out of Pocket Expenses	1,105		-
		1,018,616	996,755
Legal and Professional Charges		18,841,497	14,326,635
Printing, Stationery and Periodicals		11,162,070	10,709,976
Communication Expenses		10,909,522	15,299,789
Power and Fuel		232,528,259	212,550,320
Advertisement, Publicity & Sales Promotion		31,258,907	21,871,147
Entertainment		2,195,859	1,280,127
Band and Music		3,732,024	4,013,511
Expenses on Cultural Shows		1,531,311	1,325,792
Commission to Travel Agents/Credit Card Companies		12,092,525	11,650,207
Licencees' share of profit		54,799,489	30,775,605
Miscellaneous Expenses		9,586,555	10,800,650
Upkeep, Service Cost and Other Operating Expenses		735,716,136	581,957,766
Loss on Sale of Fixed Assets/ W.Off of Assets		1,146,690	4,899,627
Depletion / Consumption & Breakages in Crockery, Cutlery & Utencils etc		5,562,907	4,227,478
Bad Debts		39,041,345	7,435,890
Deferred Revenue Expenditure Written Off		-	537,508
Provision for Doubtful Debts & Advances		38,336,286	17,658,859
Provision for Impairment		45,314	-
Provision for Diminuition in Fixed Assets		67,703	932,484
Provision for Inventory Write Down/write off of inventory		774,712	1,090,795
TOTAL 'A'		1,553,987,060	1,429,111,470
LESS:			
Charged to the Projects of the Ministry of Tourism	1,096,077		950,418
Charged to Ministry of External Affairs	12,051,707		10,381,532
Departmental expenses charged to ITDC units	268,105		165,832
TOTAL 'B'		13,415,889	11,497,782
TOTAL 'A-B'		1,540,571,171	1,417,613,688

KHANNA & ANNADHANAM CHARTERED ACCOUNTANTS NEW DELHI

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED

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) Dispute Income Tax and Sales Tax Demand

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

4) Fixed Assets and Depreciation

a) Fixed Assets

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

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

iii) In cases where receipts/scrutiny of final bills of the contractors/suppliers, settlement of the rates to be paid for extra items and price escalation etc. are pending, the capitalization is effected provisionally, based on value 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.

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.

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 which ever is less.

KHANNA & ANNA DHANAM NEW DELHI

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 and 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 a 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.

NEW DELHI

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' under '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 realize.
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.

NEW DELHI
ACCOUNTANTS

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.

KHANNA & ANNADHANAM
NEW DELHI
CHARTERED ACCOUNTANTS

Schedule - 12 Contd:

B. NOTES TO ACCOUNTS:

1 CONTINGENT LIABILITIES

(Rs.in lakhs)

(a)	Particulars	Current Year	Previous Year
(i)	Claims against the corporation not acknowledged as debts [includes for property tax Rs 5733.32 lakhs(Previous Year Rs.5489.81 lakhs)demands from custom authority Rs.21881.80 lakhs(Previous Year Rs.21847.11 lakhs) and are sub-judice].	36003.64	35814.91
(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).	54.78	167.70
(iii)	Guarantees executed in favour of various authorities, banks and financial institution [including guarantees provided against loans obtained by subsidiary companies, Rs.90.00 lakhs (Previous year Rs.90.00 lakhs) and guarantees provided in respect of outstanding liabilities of disinvested units Rs. NIL (Previous year Rs.NIL lakhs)].	136.18	186.98
(iv)	Income Tax matters in appeal [Includes appeals preferred by Income Tax Department Rs.25.72 lakhs (Previous Year Rs.25.72 lakhs)]	363.21	409.83
(v)	Sales Tax matters in appeal [includes Rs. 2465.37 lakhs (Previous Year Rs. 2465.62 lakhs) in respect of Duty Free Shop, Mumbai, appeals against which are pending before Maharastra Sales Tax Tribunal / High Court].	9422.95	8675.34
(vi (a)	Liability towards service tax (including interest thereon) pertaining to banqueting,including catering activities, at hotels upto 31.03.2007.	Amount unascertained	Amount unascertained
(b)	Liability towards works contract tax (including interest thereon) pertaining to building repair work carried at units.		

Note no (1) Contingent Liabilities at Sr. No.1(a)(i),1(a)(iv) &1(a)(v) 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 license fee/royalty payable in this regard is not subject to service tax. Similar views on non levying of service tax on such licence fee/royalty have also been opined by tax consultants. The issue is also under consideration by the Director General of Central Excise Intelligence. Pending clarifications, no provision has been made for the estimated liability, towards service tax for the period from 10.9.2004 to 31.3.2008 for all the ten duty free shops, which works out to Rs.1779.49 lacs (Previous year-Rs.1779.49 lacs).

(b) The Employees State Insurance Corporation (ESI) authorities had raised demands (including interest where applicable) totallingRs.631.02 lakhs (Previous year Rs.609.20 lakhs) towards ESI dues in respect of five hotel units against which the corporation holds a deposit of Rs.319.32lakhs (included in Loans and Advances) with the said authorities(made up of amounts withdrawn by the authorities after freezing bank accounts-Rs.302.22 lakhs and amount deposited Rs.17.10 lakhs). Against this the corporation holds a liability of Rs194.42 lakhs towards ESI dues. No provision has been made for the balance of Rs. 436.60 lakhs(Previous year Rs.414.77 lakhs) as the matter is sub-judice 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 @ Rs.30,000/- for the month of January 1980 only on lumpsum/adhoc basis alongwith 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) Sundry creditors include unlinked receipts from customers etc.of Rs.95.31 lakhs (Previous year Rs.64.85 lakhs) 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 2008-09 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 31.03.09 of Rs. 206.56 lakhs 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) 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.

(d) 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.

(e) Pending finalisation of cost and adjustment thereof, capitalisation of Land, Building, Furniture & Fixtures and Equipment of retained Travellers Lodges, Restaurants and Hotel taken over from Ministry of Tourism, has been effected based on the payments made.

(f) 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 Rs. 843.67 lakhs has been accounted for based on certificates issued by Project Engineers for the work carried out at various projects (previous year Rs. 755.79 lakhs). Adjustments, if any, to cost is proposed to be carried out upon final settlement of the bills.

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

86

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 and estimated lower realisability of debts and advances, amounting to Rs.56.55 lakhs (Previous Year Rs.56.55 lakhs).

6 **CURRENT ASSETS, LOANS AND ADVANCES.**

(a) (i) Sundry Debtors and Loans and Advances include Rs.2163.15 lakhs (net) (Previous year Rs. 2137.96 lakhs-net) in respect of following Subsidiary companies :

(Rs. in Lakhs)

	Sundry Debtors		Loans & Advances	
Names of the Companies	Current Year	Previous Year	Current Year	Previous Year
1 ASSAM ASHOK HOTEL COPORATION LTD.	129.14	129.57	73.74	73.35
2 DONYI POLO ASHOK HOTEL CORPORATION. LTD	0.00	17.00	0.05	0.46
3 MP ASHOK HOTEL CORPORATION LTD	80.54	80.54	468.26	470.13
4 PONDICHERRY ASHOK HOTEL CORPORATION LTD	50.3	50.46	11.21	10.82
5 RANCHI ASHOK BIHAR HOTEL CORPORATION LTD	77.71	77.20	229.55 *	234.37 *
6 UTKAL ASHOK HOTEL CORPORATION LTD **	24.55	24.55	1010.86	963.39
7 PUNJAB ASHOK HOTEL COMPANY LTD	0.00	0.00	26.67	26.15
Total	362.24	379.32	1820.34	1778.67
Less : Provision made	15.03	15.03	5.00	5.00
Net	347.21	364.29	1815.34	1773.67

(*) includes Rs.208.00 lakhs deposited by the corporation. Refer note 6(e)(ii)

(**) Inoperational w.e.f 31.03.2004

(ii) Besides the Corporation has investments in these Subsidiaries /Joint ventures aggregating to Rs. 759.70 lakh. These investments have been evaluated at cost despite significant accumulated losses in some of the companies / one of the subsidiary companies some of the companies not carrying on any activities.The corporation had also decided to postpone the accounting for income from these companies (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:-

(Rs. in lakhs)

Particulars		Current Year	Previous Year
(i)	Debts due from Directors and officers of the Corporation.	5.60	0.00
	Maximum amount due from Directors and officers of the Corporation during the year	5.89	0.00
(ii)	Advances due from Directors and officers of the Corporation	6.96	8.42
	Maximum amount due from Directors and officers of the Corporation during the year	19.35	37.97

(e) Amount recoverable includes:-

(i) Rs. 268.73 lakhs (Previous year Rs.268.73 lakhs) 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.

87

(ii) Rs. 208.00 lakhs (Previous year Rs.208.00 lakhs) 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 AND 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 31.3.2009.The net loss of Rs.6.83 lakhs (previous year net gain of Rs.3.11 lakhs) has been debited to profit and 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 - Rs. 2032.43 lakhs (Previous year Rs.1780.88 lakhs) of subsidiary companies so far as it concerns to the Corporation, not dealt with in the accounts is as under:-

(Rs.in lakhs)

Names of the subsidiary companies	For the period upto #	Share % of Profit/Losses	Accumulated amount of Losses/(Profit)
Assam Ashok Hotel Corporation Ltd.*	2007-08	51	244.69
Donyi Polo Ashok Hotel Corporation Ltd*.	2007-08	51	(17.79)
Madhya Pradesh Ashok Hotel Corporation Ltd*.	2007-08	51	202.76
Pondicherry Ashok Hotel Corporation Ltd.*	2007-08	51	(14.45)
Punjab Ashok Hotel Company Ltd. *	2007-08	51	6.12
Ranchi Ashok Bihar Hotel Corporation Ltd*	2007-08	51	115.46
Utkal Ashok Hotel Corporation Ltd.*	2007-08	98	1495.64
Total Net Losses			2032.43
Previous Year Net Losses			1780.88

* The accounts for the year 2008-2009 are under finalisation.
There is no change in the % of sharing.
As per accounts adopted at AGM.

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

(e) Deffered Revenue Expenditure relating to compensation paid to employees opting voluntary retirement was hitherto written off over a period of 5 years in terms of accounting policy in operation upto 31.3.2008. However,with the changes in Accounting Standard 15, it has been decided to write off the balance with no residual as of 31.3.2010. Consequent to this change there is an additional debit to the extent of Rs.12,023,326,00 in the Profit & Loss account.

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

(Rs.in lakhs)

	Current Year	Previous Year
i) Opening Balance	65.54	131.08
ii) Add :-Adjustment made during the year, pertaining to previous year	0.00	0.00
iii) Less:- Amount written off during the year	65.54	65.54
iv) Closing Balance	0.00	65.54

2 Employees' Remuneration and Benefits also include Rs.2.98 lakhs(Previous year Rs 2.97 lakhs) 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: -

(Rs.in lakhs)

	Current Year	Previous Year
I) Opening Balance	5.96	8.93
ii) Less:1/5 charged to respective head of account (Employees Remuneration & Benefits)	0.00	0.00
iii) Less:-Amount written off during the year	2.98	2.97
iv) Closing Balance	2.98	5.96

3 Employees' Remuneration and Benefits also include Rs.93.59 lakhs(Previous year Rs 46.79 lakhs) 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: -

(Rs.in lakhs)

	Current Year	Previous Year
I) Total amount paid	187.18	233.97
ii) Less:1/5 charged to respective head of account (Employees Remuneration & Benefits)		46.79
iii) Less:-Amount written off during the year	93.59	0.00
iv) Closing Balance	93.59	187.18

88

4 Employees' Remuneration and Benefits also include Rs.122.40 lakhs(Previous year Rs NIL lakhs) 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: -

(Rs.in lakhs)

	Current Year	Previous Year
i) Total amount paid	244.80	0.00
ii) Less: 1/2 charged to respective head of account (Employees Remuneration & Benefits)	122.40	0.00
iii) Less:-Amount written off during the year		
iv) Closing Balance	122.40	0.00
Total closing balance [(e) 1, 2 ,3 , & 4)	218.97	258.68

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

(g) Expenses on generation of power:-

(Rs.in lakhs)

Particulars	Current Year	Previous Year
Salaries and Wages	2.52	2.56
Fuel	43.27	72.93
Depreciation	0.85	8.79
Repairs	12.87	15.12
Total	59.51	99.40

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

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

(Rs.in lakhs)

Particulars	Current Year	Previous Year
Opening balance	65.85	65.27
Add:-		
Other Project Overheads	3.91	0.15
Advt Exp	0.00	0.24
Depreciation/Amortisation of Lease	0.19	0.19
Less: Capitalised during the year	0.00	0
Closing balance {(see schedule 4(c)}	69.95	65.85

(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:-

(Rs.in lakhs)

Particulars	Current Year	Previous Year
Income:		
1 Beer Wine and Spirit Sales	(10.02)	(3.91)
2 Income from Services Rendered :		
Room rent/ licence fee	(13.27)	(9.06)
Advertisement and Publicity	0.86	-
Service Handling Charges	0.00	(42.89)
3 Others :		
Interest	0.00	0.00
Rent Recovery	0.00	0.00
Consultancy Fees	(1.02)	0.00
Printing & Stationery	0.00	0.00
Miscellaneous Income	22.23	3.10
Total	(1.22)	(52.76)
Expenditure:		
1 Cost of consumption of raw material, other materials sold and services	13.92	0.94
2 Employees' remuneration and benefits	1.20	312.30
3 Travelling and Conveyance	(0.99)	1.36
4 Rent, rates, taxes and insurance	1.97	(24.74)
5 Repairs and maintenance	5.34	5.49
6 Audit Fees	0.00	-
7 Legal and Professional Charges	2.61	(2.02)
8 Printing, Stationery and Periodicals	0.06	0.03
9 Communication Expenses	0.07	0.84
10 Power and Fuel	0.55	0.16
11 Advertisement, publicity and sales promotion	9.02	0.02
12 Sundry Expenses	0.56	(0.12)
13 Upkeep and Service Cost and Other Operating Expenses	0.65	(18.84)
14 Depreciation	2.49	19.42
15 Newspaper,books & magazines	0.05	-
16 Payment to hired vehicles	1.02	0.20
17 Membership & Subscription	5.69	0.01
18 Hire charges	0.26	
Total	44.47	295.05

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

Particulars	Current Year	Previous Year
1 Provision for Doubtful Debts and Advances	478.07	119.46
2 Depreciation	0.00	0.76
3 Cost of Material Sold and Services rendered	0.48	6.29
4 Salaries wages and benefits	92.81	6.98
5 Travelling & Conveyance	0.00	0.11
6 Repairs and Maintenance	15.38	4.00
7 Power and Fuel	0.00	0.00
8 Upkeep & Service Cost	88.46	36.49
9 Other Operating and Administrative Expenses	35.95	25.88
10 Provision for diminution in fixed assets	0.00	0.50
11 Provision for Inventory written down	0.00	4.54
Total	711.15	205.01

89

(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 Rs.21.40 lakhs (Previous year Rs.22.24 lakhs) of Deferred Government Grants from the Ministry of Tourism for the renovation/upgradation of properties, a sum of Rs.0.84 lakhs(previous year Rs.0.84 lakhs) incurred during the year has been charged to the respective head of expenditure. The amount equivalent to the grant related cost incurred during the year has accordingly been recognised as income. The balance of Rs. 20.56 lakhs(previous year Rs.21.40 lakhs) at the close of the year has been presented in the accounts as Deferred Government grant below Reserve and Surplus.

(n) Rs.892.90 Lacs spent on renovation during the year at various hotels has been segregated as relating to capital Rs.277.07 lacs and revenue expenditure Rs.615.83 Lacs based on certificate issued by the Project engineer and which have been relied upon by the auditors.

(o) (a) Pending execution of fresh license Agreements, income from License fees(from continuing licensees)has been accounted for on provisional basis and/or based on the earlier license agreements.
(b) Consequent to the resolution of pending issue of licensees with transport division, finalisation of revised license agreements in case of hotel units a sum of Rs.1308.51 lac has been accounted for as income from services rendered (including Rs.384.79 lac pertaining to period upto 31.03.2008) during the year.

(p) Duing the year the company had entered into a partnership with M/S Showtime Events (India) Pvt.Ltd. for executing event management activities.The share of income from the partnership amounting to Rs.18.35 Lac (net of firm tax) has been recognised during the year.The details of partners and their shares are :-

	Name of the Partner	Share Capital	Profit / Share
1)	I T D C Ltd.	2,00,000.00	50%
2)	Showtime Consortium	2,00,000.00	50%

8 **DISINVESTMENT OF HOTEL UNITS**

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

i) With effect from appointed date, i.e. 31.3.2000, the disinvested units, pursuant to the provisions contained in section 394 of the Companies Act, 1956, were transferred to and vested in the transferee companies alongwith 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 Rs.1326.12 lakhs (Previous Year Rs.1326.12 lakhs) (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 upto 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 Rs. 356.45 lakhs (Previous Year Rs. 356.45 lakhs) due to them, is included in Sundry Creditors. However no confirmation from respective transferee companies have been obtained.

(c) Regarding the claim for the period from 1.4.2000 to 31.03.2001 - Rs. 3316.30 lakhs (including Rs. 61.48 lakhs recoverable directly from a transferee company in respect of units at Bangalore, the share holding of which continues to be with Government and other existing shareholders), the claims have been lodged with the Department of Tourism, Government. of India and as the Government has not taken any decision till date on these claims, the same has not been accounted for as recoverable in accounts.

9 Pending completion of the relevant formalities and allotment of shares an amount of Rs.73.00 crores received from the Govt. of India has been carried under share application money in the Balance Sheet.However,the allotment of equity shares to Govt. of India has been made on 15.09.2009.

10 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 @ Rs. 60/- per sq.feet for the period from 26/07/2005 to 22/02/2008 and Rs. 100/- per sq.feet for the eriod from 23/02/2008 to 31/03/2009 as against Rs. 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 Rs. 188.94 lacs being the difference between the amount indicated by the LIC Rs. 100/- per Sq.Feet and that provided upto the period 22/2/08 has been included under Contingent Liabilities in para 1 (a) (i).

11 (a) The Corporation had, with due approval of its board and administrative machinery, decided to implement and implemented the Governmental notification dated 29th August 2008, the rules titled Central Civil Services (Revised Pay) Rules 2008, Viz. 6th Pay Commission for employees, under CDA Pattern and 2nd pay commission report on IDA Pattern effective from January 2006 and January 2007 respectively during the year 2008-09. The liability on account of the pay revision for CDA/IDA employees amounting to Rs.1240.20 lacs and Rs.193.20 lacs respectively, has been provided and charged to Profit & Loss Account. Besides provision for some of the allowances connected with the above employees is being worked out for necessary adjustments. The management, however, feels the impact of the provision would not be material in the financial statements.

(b) In terms of clarification Issued by CBDT vide circular no. 912008 (F. No.275/192/2008- IT (B) dated 29.09.2008) the aggregate arrears of pay (computed after deduction of provident fund and other related regulatory Contribution with reference to revised pay) were to be paid in two instalments i.e. 40% immediately and the balance 60% in the following year, subject to deduction of taxes at the stipulated rates on 40% and 60% respectively at the time of payment. Accordingly, the corporation has deducted taxes from 40% payment made during the year with the balance to be deducted from 60% payment in the following year.

90

(c)(i) Besides the above, the Corporation had also, during the year, in view of the ensuing proposed wage settlement/ revision in respect of C & D categories of employees w.e.f. 01.01.2007, provided for liablity amounting to Rs.663.42 Lacs and charged in the accounts.

(ii) Though the corporation had considered the provident fund and other regulatory deductions in cases referred to in (a) above,no such consideration could be given to the above payment/provision, pending finality of settlement/revision. Effect on the accounts on due quantification and recording thereof cannot be indicated at this stage.

(d) The Corporation's employees are governed by the provisions of the 'Payment of gratuity Act',1972'. The Corporation had accordingly been providing for gratuity liability and contributing to the life insurance corporation. The ceiling fixed under the Gratuity Act is Rs. 3.50 lacs. However the DPE had revised, w.e.f. 01.01.07, the ceiling from Rs.3.50 lacs to Rs.10.00 lacs to board level, below board level and non-unionised Supervisory cadres on IDA pay pattern. Consequent to the above revision in the limits for certain categories of employees, an additional amount of Rs.92.14 lac has been provided for and charged to Profit & Loss Account.

12 Hitherto the Corporation has been accounting for interest income and income from services, from subsidiary and Joint Venture Companies, on accrual basis as per agreements/ at Contracted rates. Commencing from this year however. It has been decided, keeping in view of the financial position of these companies to account for such income when received/ to the extent taxes deducted at source have been deposited by those companies. Had the previous basis been followed the income for the year, loans and advances due from subsidiaries / joint ventures would have both been higher by Rs.146.90 lac.

13 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 Rs. 50,000 (5000 equity shares of Rs. 10 each) in the joint venture, though the share certificates remained to be received from the JV company. Besides the financial statements of the JV company have not yet been prepared, consequently corporation's share of profit/loss and contribution towards expenses, if any, in connection with running of the JV could not be ascertained and accounted for. Pending preparation and finalisation of the accounts of the joint venture and receipt of financial statements, investments in capital of Rs.50000 and the amounts advanced to the tune of Rs.32.23 lacs inconnection with JV operations have been fully provided for following concept of prudence. The Joint Venture partner has claimed Rs.684.96 lac (10,15,650 Euro @ Rs.67.441) as reimbursement of it's share of expenses incurred on joint venture operations which has not been provided for,pending verification of admissibility of the claims.

14 i) **Disclosure in accordance with Accounting Standard- 7 - Construction Contracts** **(Rs. in lacs)**

a)	Aggregate amount of Revenue Recognised up to the reporting date	9855.67
b)	Aggregate cost incurred up to reporting date	8812.27
c)	Revenue Recognised during the current financial year	1763.61
d)	Cost incurred during the financial year	1611.42
e)	Total amount of funds received up to the Reporting date	14857.19
f)	Advance due to customers up to Reporting Date	5404.00
g)	Advance due from Customers up to Reporting Date	418.54

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

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

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

(c) Gratuity- Payable on separation @ 15 days pay for each completed year of service to eligible employees who render continuous service for 5 years or more. Maximum limit in the case of board level,below board level and non unionised supervisory cadres is Rs.10.00 lakh & for others it is Rs. 3.50 lakh.

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

(in Rupees)

S.No	Particulars	Gratuity	Leave Encashment
	Fair value of Defined Obligation		
i.	Present value of projected benefit obligation as at 1.04.08	390,573,941.00	193584607.00
ii.	Current service cost	19,688,944.00	13583039.00
iii.	Interest cost	27,265,271.00	13550922.00
iv.	Acturial gain(-) / losses(+)	75,671,445.00	59464260.00
v.	Past service cost	-	-
vi.	Benefits paid	(39,632,544.00)	-
vii.	Present value of projected benefit obligation as on 31.03.2009(i+ii+iii+iv-v+vi)	473,567,057.00	280182828.00

	Reconciliation of fair value of Assets and obligations		
i.	Fair value of plan assets as on 1.04.2008	186,419,626.00	-
ii.	Acquisition adjustment	-	-
iii.	Expected return on plan assets	15,524,959.00	-
iv	Actual Company's contribution	100,000,000.00	-
v.	Acturial gain(-) / losses(+)	-	(59464260.00)
vi.	Benefits paid	(39,632,544.00)	-
vii	Fair value of plan assets as on 31.03.2009	262,312,041.00	-
viii.	Present value of defined obligation	473,567,057.00	280182828.00
ix.	Net liability recognised in the Balance Sheet (Schedule-7)	211,255,016.00	280182828.00

91

	Expenses recognised in the Statement of Profit & Loss Account for the year ended 31.03.2009		
I.	Current service cost	19,688,944.00	13583039.00
ii.	Interest cost	27,265,271.00	13550922.00
iii.	Acturial gain(-) / losses(+)	75,671,445.00	59464260.00
iv.	Past service cost	-	-
v.	Expected return on plan assets	(15,524,959.00)	-
	Total (I+ii+iii-v)	107,100,701.00	-
	Employees remuneration & benefit charged to profit & loss A/c- a)Gratuity	107,100,701.00	-
	b)- others	-	86598221.00

Acturial assumption

I	Discount rate	7.00% per annum	7.00% per annum
ii.	Mortality rate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
iii.	Withdrawal rate(18-60 years)	2% p.a	0% up to 30 years, 1% up to 44 years, 3% thereafter
iv.	Expected rate of plan assets	8.33%	NIL
v.	Future salary increase	5.00% per annum	5.00
vi	Retirement age	58 years	58 years

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

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

Key Management Personnels: -

1 Mr. Sanjay Kothari, C&MD w.e.f. 01.12.2009
2 Mr. Parvez Dewan, C&MD from 05.04.2006 to 1.12.2009
3 Mr.P.P.Singh,Director (Finance) w.e.f August 25,2005.
4 Mr. Rajiv Makin, Director (C&M) w.e.f. October 17, 2008

Payment made to key management personnels and their relatives.

	Current Year	Previous Year
		(Rs.)
1 Remuneration	3,632,783.00	1,418,345.00

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

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

	31st March, 2009	31st March, 2008
BASIC		
Net Profit available for Equity Shareholders	25,38,21,075	44,07,62,521
Number of Equity Shares of Rs.10 each	6,75,19,400	6,75,19,400
Basic earnings per share	3.76	6.53
DILUTED		
Net Profit available for Equity Shareholders	25,38,21,075	44,07,62,521
Weighted Average number of Shares	8,57,69,400	7,23,69,400
Diluted earnings per share	2.96	6.09

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

The major components of deferred tax asset (net) as on 31.3.2009 are given below:-

DEFFERED TAX LIABILITIES	31st March, 2009		31st March, 2008	(Rs.in lakhs)
1 Depreciation	540.24		555.12	
2 Deferred Revenue Expenditure	0.00	540.24	0	555.12
DEFFERED TAX ASSETS				
1 Brought forward business losses and unabsorbed depreciation	0.00		0.00	
2 Carried forward Short Term Capital Loss	10.28		10.28	
3 Provision for Gratuity	718.06		693.92	
4 Provision for Doubtful Debts & Advances & Inventory write down	672.13		701.81	
5 Disallowances under Income Tax Act, 1961	836.63	2237.10	533.64	1939.65
DEFERRED TAX ASSET(NET)		1696.86		1384.53

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 31.3.2009 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, 2009, 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 :**

(Rs in Lakhs)

Name of Provision	Balance as on 01/04/2008	Provided during the year relating to 2008-09	Provided during the year relating to 2007-08	Payments/ Adjustments during the year	Provision reversed/ Written Back	Closing Balance as on 31/03/2009
Fringe Benefit Tax	50.00	41.00	0.00	50.00	0.00	41.00
Income Tax	2,850.00	1600.00	0.00	2850.00	0.00	1600.00
Proposed Dividend	2,700.78	675.19	0.00	2700.78	0.00	675.19
Taxes on Proposed Dividend	459.00	113.02	0.00	459.00	0.00	113.02

15 **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:-*

(Rs.in lakhs)

Particulars	Current Year	Previous Year
i) Beer, Wine and Spirits	152.65	1,332.29
ii) Cigars and cigarettes	121.77	441.00
iii) Other items:	0.00	
Perfumes	0.00	7.78
Cameras, Electronic items etc.	0.00	33.84
Chocolate	0.00	-
iv) Capital Goods	115.48	-
Total	389.90	1,814.91

b) Expenditure in Foreign Currency :-

(Rs.in lakhs)

Particulars	Current Year	Previous Year
i) Membership fee	0.00	-
ii) Advertisement & Publicity - on behalf of client	43.32	1,563.40
iii) Travelling	7.60	15.14
iv) Misc Purchases	0.00	4.46
Total	50.92	1,583.00

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

(Rs.in lakhs)

Particulars	Current Year	Previous Year
i) Boarding,lodging and other facilities	1470.12	2,586.14
ii) Sale of goods at Duty Free Shops	523.56	2,977.40
iii) Advertisement income	0.00	-
Iv) Miscellaneous	0.00	-
v) Gain in foreign Exchange(net)	16.66	159.12
vi) Insurance claim	0.00	-
	2010.34	5,722.66

(d) Remuneration paid to the Directors :

(Rs.)

Particulars	C&MD	Other Directors	Total	Previous Year
i) Salary & Allowances	1,358,910.00	2,078,781.00	3,437,691.00	1,258,680.00
ii) Employer's Contribution to Provident Fund	-	124,707.00	124,707.00	61,873.00
iii) Other Perquisites (as per IT rules)	10,181.00	60,204.00	70,385.00	97,792.00
Total	1,369,091.00	2,263,692.00	3,632,783.00	1,418,345.00

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

(e) (i) Amount due to Small Scale Industries, to the extent such parties have been identified from available information, of more than one lakh and for a period exceeding 30 days is Rs. NIL (Previous Year Rs. NIL lakhs).
(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 rehabiliation/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.

(g) The corporation has been vide letter dated 21.08.2009 exempted under section 212(8) from annexing the Accounts of Subsidiary Companies with the Annual Accounts of the corporation from the Ministry of Company Affairs,Government of India for the period upto 31.03.2009.

16 Balance Sheet Abstract and corporation's General Business Profile as per part IV, Schedule VI to the Companies Act, 1956 is given in Annexura "C".

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

(V.K.JAIN)
Company Secretary

(A.K.JAIN)
General Manager(F&A)

(P.P.Singh)
Director(Finance)

(Sanjay Kothari)
Chairman & Managing Director

As per our report of even date
For and on behalf of
Khanna & Annadhanam
Chartered Accountants

KHANNA & ANNADHANAM NEW DELHI CHARTERED ACCOUNTANTS

(K.A.Balasubramanian)
(Partner)
(M.No.17415)

Place: New Delhi
Dated: 08 DEC 2009

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED
Annexure "A" to Schedule 12 (Significant Accounting Policy No. 4)

	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 equipments	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 equipments	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. 5000 and below ****	-	-	-	-	100%	100%
15.	Leasehold land		Based on lease period				

* On additions to the fixed assets upto 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.

AK

KHANNA & ANNADHANAM
NEW DELHI
CHARTERED ACCOUNTANTS

Annexure "B" to Schedule 12{ Note No. 14 (iii)}
SEGMENT REPORTING - AS-17

(Rs. in lakhs)

	Hotel/Restaurants Operations		Duty Free Shops Operations		Travels & Tour Operations		SEL, ARMS & Misc.Operations		Construction and Consultancy Projects		Others		Total for Company	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
A **PRIMARY DISCLOSURE (Operation -wise)**														
1 **Segment Revenue**														
a) Total Revenue	20,939.87	22,082.84	555.80	3,133.30	7,694.14	5,841.94	2,106.42	2,954.60	7,036.63	11,064.70	3,183.47	2,535.70	41,516.33	47,613.08
b) Less Inter Segment Revenue	25.37	33.72		-	99.34	90.94	324.47	461.28		-		-	449.18	585.94
c) External Revenue	20,914.50	22,049.12	555.80	3,133.30	7,594.80	5,751.00	1,781.95	2,493.32	7,036.63	11,064.70	3,183.47	2,535.70	41,067.15	47,027.14
2 **Segment Results : -**														
Profit/(Loss) before Interest,Tax and overheads	3,454.11	6,042.08	(137.23)	(919.04)	(152.71)	(56.41)	318.39	448.78	(445.96)	144.35	3,123.07	2,535.70	6,159.67	8,195.46
Less:- Allocable Corporate Overheads											2,338.28	1,253.21	2,338.28	1,253.21
Less: Interest	-	1.40	-	-	0.01	0.15		-		-	2.17	-	2.18	1.55
Less: Provision for Income Tax											1,600.00	2,850.00	1,600.00	2,850.00
Less: *Provision for Wealth Tax*											-	-	-	-
Less: Provision for Fringe Benefit											41.00	50.00	41.00	50.00
Less: Provision for Deferred Tax											(312.33)	(381.88)	(312.33)	(381.88)
Add: Deferred Tax Assets Recognised											-	-	-	-
Add: Provision for income tax for earlier year written back											46.10	(14.95)	46.10	(14.95)
Add: Currency Translation Reserve madein earlier year written back											1.57		1.57	
Profit/(Loss) available for appropriation	3,454.11	6,040.68	(137.23)	(919.04)	(152.72)	(56.56)	318.39	448.78	(445.96)	144.35	(498.38)	(1,250.58)	2,538.21	4,407.63
3 **Segment Assets** (Current assets plus fixed assets & WIP)	12,766.74	12,606.43	689.65	874.34	1,518.24	1,639.02	1,659.37	1,752.24	1,933.40	6,894.22	37,941.26	41,641.23	56,508.66	65,407.48
4 **Segment Liabilities**	11,419.57	10,333.38	676.65	1,741.89	1,289.03	1,199.51	1,482.26	1,550.28	8,209.69	15,078.99	2,516.11	5,848.79	25,593.31	35,752.84
5 Depreciation & amortisation in respect of Segment Assets for the period	389.76	409.56	0.23	12.93	12.49	8.99	3.79	2.92	1.03	0.79	20.47	19.36	427.77	454.55
6 Cost incurred during the period to acquire Segment Assets(Tangible & intangible fixed assets)	678.06	767.13	0.07	0.72	60.66	1.07	3.97	-	0.32	2.60	8.60	16.20	751.68	787.72
7 Non Cash Expenses Other than Depreciation and Amortisation incurred by the Business Segment	1,690.15	1,094.36	(2.27)	(3.90)	216.80	127.40	127.21	58.09	123.69	55.62	335.76	192.71	2,491.34	1,524.28

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

NEW DELHI
ACCOUNTANTS

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED
Annexure "C" to Schedule 12 (Note No. 16)
Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.		4363
State Code		55
Balance Sheet Date		31.03.2009

II. Capital Raised during the year [Amount in Rs. Thousands]

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

III. Position of Mobilisation and Deployment of Funds [Amount in Rs. Thousands]

Total Liabilities	-	5,842,448
Total Assets	-	5,842,448
Sources of Funds:		
Paid-Up Capital	-	675,194
Share Application Money	-	730,000
Reserves & Surplus	-	1,875,867
Deferred Govt. Grant	-	2,056
Secured Loans	-	-
Current Liabilities and Provisions		2,559,331
Application of Funds:		
Fixed Assets	-	460,836
Capital Work-in-Progress		91,062
Investments	-	83,095
Deferred Tax		169,685
Current Assets, Loans and Advances		5,015,873
Misc. Expenditure	-	21,897
Accumulated Losses	-	Nil

IV. Performance of Company [Amount in Rs. Thousands]

Turnover	-	4,106,715
Total Expenditure (including Perior Period Adjustments)	-	3,724,794
Profit / (Loss) before Tax	-	381,921
Profit / (Loss) after Tax	-	253,821
Earning per Share in Rs.(Basic)	-	3.76
Earning per Share in Rs.(Diluted)	-	2.96
Dividend Rate %	-	
Final	-	10%

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.

Khanna & Annadhanam Chartered Accountants New Delhi

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st, MARCH 2009

		Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
A	**Cash Flow from Operating Activities**		
	Net profit before tax, prior period & extraordinary items	315,375,487	708,348,863
	Adjustments for:		
	Depreciation	42,776,874	45,454,893
	Deferred Revenue Expenditure Written Off	-	537,508
	Deferred Revenue Expenditure(VRS) Written Off	28,450,640	21,939,588
	Diminution in value of Fixed Assets	67,203	882,217
	Interest Expense on Loans	218,092	155,058
	Interest Income	(303,445,921)	(238,185,599)
	Dividend income	(1,017,450)	(1,017,450)
	Deferred Government Grant	(83,907)	(83,908)
	(Profit)/Loss on Sale of Fixed Assets(Net)	(1,322,589)	3,548,332
	Provision for Impairment Loss	45,314	-
	Provision for Inventory Writedown	774,712	735,791
	Provision for Doubtful Debts and Advances	38,336,286	17,658,859
	Bad Debts Written-Off	39,041,345	7,435,890
	Operating Profit before Working Capital Changes	**159,216,086**	**567,410,042**
	Adjustments for:		
	Decrease/ (Increase) in Sundry Debtors	352,276,335	(4,859,654)
	Decrease/ (Increase) in Loans and Advances	64,520,780	(69,428,578)
	Decrease/ (Increase) in Inventories	(4,537,907)	120,374,129
	Increase/ (Decrease) in Trade Payables, Other Liabilities	(674,249,213)	(473,530,849)
	Direct Taxes (Net)	(201,358,966)	(322,842,682)
	Prior Period Adjustments	(4,569,061)	(34,780,983)
	Provision no longer required Written Back	71,114,582	20,501,135
	Net Cash from Operating Activites	**(237,587,364)**	**(197,157,440)**
B	**Cash Flow From Investing Activities**		
	Purchase of Fixed Assets	(75,167,860)	(78,772,163)
	Sale of Fixed Assets and Adjustments	4,870,521	5,654,462
	Reduction/(Addition) of Work-in-Progress	(60,827,504)	(5,202,573)
	Decrease/ (Increase) in Investment	(2,035,075)	(50,000)
	Divident Received from Subsidiary	1,017,450	1,017,450
	Deferred Revenue Expenditure	(24,479,611)	(18,717,772)
	Interest Received	304,030,425	235,311,143
	Net Cash Flow from/(used in) Investing Activities	**147,408,346**	**139,240,547**
C	**Cash Flow From Financing Activities**		
	Interest Paid	(218,092)	(155,058)
	Repayment of Secured Loan	(74,134)	(210,695)
	Divident Paid	(270,077,600)	-
	Divident Tax Paid	(45,899,688)	-
	Share Application Money	-	730,000,000
	Net Cash Flow from/(used in) Financing Activities	**(316,269,514)**	**729,634,247**
	Net Increase in Cash and Cash Equivalents (A+B+C)	(406,448,532)	671,717,354
	Cash and Cash Equivalents (Opening Balance)*	3,564,972,338	2,893,254,984
	Cash and Cash Equivalents (Closing Balance)*	3,158,523,806	3,564,972,338

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

(V.K.Jain)
Company Secretary

(A.K.Jain)
General Manager(F&A)

(P.P.Singh)
Director(Finance)

(Sanjay Kothari)
Chairman & Managing Director

For Khanna & Annadhanam
Chartered Accountants

(K.K.Balasubramaniam)
Partner
M.No. 17415

KHANNA & ANNADHANAM NEW DELHI CHARTERED ACCOUNTANTS

Date : 8 DEC 2009
Place : New Delhi

India Tourism Development Corporation Limited
Registered office: SCOPE Complex,Core-8, 6th Floor
7, Lodhi Road, New Delhi – 110 003

ATTENDANCE SLIP

Name:
Mr/Mrs/Ms. ____

Address: ____

____

Folio No/DP ID & Client ID: __________

PLEASE FILL IN YOUR NAME, ADDRESS & FOLIO NUMBER BEFORE HANDING OVER AT THE ENTRANCE OF THE HALL.

I hereby record my presence at the 44th Annual General Meeting of the Company at 1600 Hours on Thursday, 31st December, 2009 at Ashok Hotel, Chanakyapuri, New Delhi 110021.

SIGNATURE OF THE ATTENDING MEMBER/PROXY ________________

Note:

- Shareholder/Proxy wishing to attend the Meeting must bring the Attendance Slip to the Meeting and hand over at entrance duly signed. Duplicate Attendance Slip will not be issued at AGM venue. The same shall be issued at the Registered Office of the Company up to a day preceding the Annual General Meeting date.

INDIA TOURISM DEVELOPMENT CORPORATION LTD.
Registered office: SCOPE Complex, Core-8, 6th Floor,
7, Lodhi Road, New Delhi – 110 003

PROXY

I/We____of__________

_______________________in the District of_______________________being a Member/Members of the above named Company hereby appoint Mr./Mrs./Ms.____________________________________of________________in the District of_____________(or___________________________failing him/her) ____________________________ of_______________________as my/our Proxy to attend and vote for me/us on my/our behalf at the 44th Annual General Meeting of the Company to be held on Thursday, the 31st day of December, 2009 at 1600 hours at the Ashok Hotel, Chanakyapuri, New Delhi -110 021.

Signed this______day of_________________2009.

Folio/DP ID & Client ID No.________________________
No. of Shares ________

Signature__________________

Affix Re.1/-
Revenue
Stamp

Notes:

➔ The Proxy form should reach the Registered Office of the Company at SCOPE Complex, Core-8, 6th Floor, Lodhi Road, New Delhi-110 003 at least 48 hours before the time fixed for the Meeting.