

Date: 11.05.2024

REF: SEC: COORD: 134

Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Scrip Symbol - ITDC (EQ)	Manager, Department of Corporate Services BSE Limited, Mumbai Floor 25, P.J. Towers, Dalal Street Mumbai- 400 001 Scrip code : 532189
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Sub: Submission of Statements of Impact of Auditors qualification

This is with reference to earlier announcement dtd 11th May, 2024 subjected with "Outcome of Board Meeting and Submission of Audited Standalone & Consolidated Financial Results for the quarter and year ended March 31, 2024".

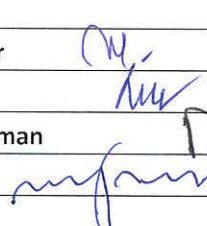
We are enclosing herewith statements of impact of Auditors qualification for the Quarter and year ended March 31, 2024.

Thanking you,

For **India Tourism Development Corporation Ltd.**

V.K. Jain
Company Secretary

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Standalone Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lakh)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in lakh)
	1.	Turnover/ Total income	54,490.48	55,783.07
	2.	Total Expenditure	47,304.30	47,304.30
	3.	Net Profit/(Loss)	7,186.18	8,478.77
	4.	Earnings Per Share	8.38	9.89
	5.	Total Assets	1,09,144.93	1,10,437.52
	6.	Total Liabilities	66,625.72	66,625.72
	7.	Net Worth	42,519.21	43,811.80
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: As per Annexure-A		
	b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified		
	c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: Annexure – A		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Annexure – A		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification: Annexure-A		
		(ii) If management is unable to estimate the impact, reasons for the same: Annexure –A		
		(iii) Auditors' Comments on (i) or (ii) above: Not applicable		
III.	Signatories:			
		• CEO/Managing Director		
		• CFO		
		• Audit Committee Chairman		
		• Statutory Auditor		
		Place: New Delhi		
		Date: 11.05.2024		



Annexure - A (Standalone)

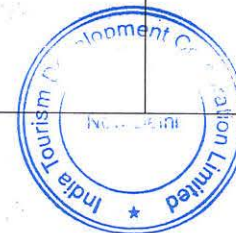
Sr. No.	Audit Qualification	Type of Audit Qualification	Frequency of Audit Qualification	Management's view where impact of Audit Qualification is quantified by the Auditors	Impact not quantified by Auditor, Management's estimation on the impact of audit qualification (I)	If Management is unable to estimate the impact, reasons for the same (II)	Auditor's Comment on (I) and (II)
1	<p>MSMED Act Compliances: As per the information provided to us, the Company has identified suppliers registered under the MSMED Act, 2006, by obtaining confirmation from suppliers and information has been collated to the extent of information received.</p> <p>In the absence of the requisite audit evidence, we are unable to determine the delay in making payment to MSME entities, liability of interest and compliance on such delayed payments in terms of provisions of MSMED Act</p>	Qualified Opinion	Third Time	Not quantified by Auditor	Not quantified by Management	Classification of vendors as per MSMED Act is in active stage. Also, analysis of payment terms contained in the agreement with MSME Vendors are being examined to work out the financial impact, if any.	N.A
2	<p>Revenue from License fee The Company has not generated invoices for license fees on licensees of units, viz. Ashok Hotel, Samrat Hotel & Taj Restaurant (units of ITDC) to the tune of Rs. 1292.59 lakhs during the year 2020-21 on account of Covid-19 pandemic, and hence not considered in Books of Accounts. The matter is still under consideration before the board of Directors of ITDC. Thus, the sale of services from</p>	Qualified Opinion	Third Time	Amount of Rs. 1,292.59 lakhs not booked as Revenue from Operations	N.A.	N.A.	N.A

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	license fees and trade receivables of the Company continued to be understated to this extent.						
3	<p>Ashok Tours and Travels (ATT) Delhi</p> <p>A. ATT has entered into arrangements for marketing of travel related business with M/S Shree Plan Your Journey Pvt. Ltd (SPYJ), the GSA dated September 2019. The commission for the said business was to be shared equally with them. We observed the following:-</p> <p>i. The agency was to make interest free cash deposit of Rs. 180 lakh and furnish a Bank Guarantee for Rs. 120 lakh for the purpose of buying air tickets and other travel-related services up to a sum of Rs. 300 lakhs. Out of the said amount, Rs. 30 lakhs were to be kept as security deposit leaving a balance of Rs. 270 lakhs. The said amount was required to be increased additionally through the deposit of funds as and when required by the business. As per the agreement, the evaluation is to be made by the Company on a monthly basis, and in case of its non-compliance, the issue of all travel-related services would be stopped till funds are received.</p> <p>But we observed that in view of the jump in the business envisaged at Rs. 3.00 crore initially, having gone up to Rs. 9416 lakhs as of 31st March 2024, the said terms relating to deposit of additional funds by the agency is not being complied with. ATT has kept on "HOLD" Only an amount of Rs. 800 lakhs stands withheld/kept which includes Rs. 540 lakhs in the form of a Security Deposit and a balance of Rs. 240 lakhs in the form of a Bank Guarantee to cover increased business volume, which is</p>	Qualified Opinion	Third Time	Not quantified by Auditor	Not quantified by Management	Reconciliation exercise of the transactions carried out with the GSA is under process and there has been continuous reduction in unreconciled amount. However, the impact, if any, would be known on completion of the reconciliation exercise.	N.A.

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<p>not exactly in consonance with terms of extension letter and directives of Board.</p> <p>ii. We continue to observe that various conditions of the agreement with SPYJ were not complied &/or not enforced like credit limit, reconciliation, monthly evaluation, additional Bank Guarantee (BG) etc. Despite raising the issues in the previous years and also in the current year. There is periodical reconciliation of PLB from Airlines, identification of unlinked receipts, credit note delays, settlement of commission bills after receiving full payment from SPYJ clients, compliance of SoP etc. There is progress in reconciliation of account with SPYJ, however, still there is a gap of Rs 11.69 lakhs (PY Rs 34.95 lakhs). Above mentioned deficiencies have repercussions on timely compliance of TDS and provisions under GST Act.</p>						
<p>B. ATT (ITDC) has entered into Memorandum of understanding (MOU)/ Travel Services Agreement (TSA) with its various customers comprising of mainly Ministries/Govt. Departments/ Government organisations for rendering travel related services of Domestic and International Air Ticketing at "00"/ Nil charge. Further an Office Memorandum (OM) was issued by MoF on 16th June ,2022 for non-levy of any agency charges/ convenience fee. In few cases/services the company is yet to implement such clauses of TSA and aforementioned (OM).</p> <p>In view of circumstances stated in para 1 and 2</p>	<p>Qualified Opinion</p>	<p>Second Time</p>	<p>Not quantified by Auditor</p>	<p>Not quantified by Management</p>	<p>The company is in compliance of relevant OMs issued by ministries while entering into agreement with/MOU with customers. Also, the terms of the billing are under examination with respect to</p>	<p>N.A.</p>

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<p>above, we are unable to comment on the final outcome of non-compliance of terms of Agreement, confirmations, reconciliations and/or assessment of recoverability of outstanding in the accounts pertaining to SPYJ and ATT customers and its consequential impact on the Standalone Financial Statements.</p>					<p>the guidelines issued by MoF, if any.</p>	
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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Consolidated Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lakh)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in lakh)
	1.	Turnover / Total income	54,876.50	56,169.09
	2.	Total Expenditure	47,899.08	47,899.08
	3.	Net Profit/(Loss)	6,977.42	8,270.01
	4.	Earnings Per Share	8.20	9.64
	5.	Total Assets	1,06,568.33	1,07,860.92
	6.	Total Liabilities	68,738.77	68,738.77
	7.	Net Worth	37,829.56	39,122.15
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: As per Annexure-A			
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified			
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	(i) Management's estimation on the impact of audit qualification: Annexure –A			
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	(iii) Auditors' Comments on (i) or (ii) above: Not applicable			
III.	Signatories:			
	• CEO/Managing Director			
	• CFO			
	• Audit Committee Chairman			
	• Statutory Auditor			
	Place: New Delhi			
	Date: 11.05.2024			



Annexure - A (Consolidated)

Sr. No.	Audit Qualification	Type of Audit Qualification	Frequency of Audit Qualification	Management's view where impact of Audit Qualification is quantified by the Auditors	Impact not quantified by Auditor, Management's estimation on the impact of audit qualification (I)	If Management is unable to estimate the impact, reasons for the same (II)	Auditor's Comment on (I) and (II)
1	<p>MSMED Act Compliances: As per the information provided to us, the Company has identified suppliers registered under the MSMED Act, 2006, by obtaining confirmation from suppliers and information has been collated to the extent of information received.</p> <p>In the absence of the requisite audit evidence, we are unable to determine the delay in making payment to MSME entities, liability of interest and compliance on such delayed payments in terms of provisions of MSMED Act</p>	Qualified Opinion	Third Time	Not quantified by Auditor	Not quantified by Management	Classification of vendors as per MSMED Act is in active stage. Also, analysis of payment terms contained in the agreement with MSME Vendors are being examined to work out the financial impact, if any.	N.A
2	<p>Revenue from License fee B. The Company has not generated invoices for license fees on licensees of units, viz. Ashok Hotel, Samrat Hotel & Taj Restaurant (units of ITDC) to the tune of Rs. 1292.59 lakhs during the year 2020-21 on account of Covid-19 pandemic, and hence not considered in Books of Accounts. The matter is still under consideration</p>	Qualified Opinion	Third Time	Amount of Rs. 1,292.59 lakh not booked as Revenue from Operations	N.A.	N.A.	N.A

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	before the board of Directors of ITDC. Thus, the sale of services from license fees and trade receivables of the Company continued to be understated to this extent.						
3	<p>Ashok Tours and Travels (ATT) Delhi</p> <p>A. ATT has entered into arrangements for marketing of travel related business with M/S Shree Plan Your Journey Pvt. Ltd (SPYJ), the GSA dated September 2019. The commission for the said business was to be shared equally with them. We observed the following:-:</p> <p>i. The agency was to make interest free cash deposit of Rs. 180 lakh and furnish a Bank Guarantee for Rs. 120 lakh for the purpose of buying air tickets and other travel-related services up to a sum of Rs. 300 lakhs. Out of the said amount, Rs. 30 lakhs were to be kept as security deposit leaving a balance of Rs. 270 lakhs. The said amount was required to be increased additionally through the deposit of funds as and when required by the business. As per the agreement, the evaluation is to be made by the Company on a monthly basis, and in case of its non-compliance, the issue of all travel-related services would be stopped till funds are received.</p> <p>But we observed that in view of the jump in the business envisaged at Rs. 3.00 crore initially, having gone up to Rs. 9416 lakhs as of 31st March 2024, the said terms relating to deposit of additional funds by the agency is not being complied with. ATT has kept on "HOLD" Only an amount of Rs. 800 lakhs stands withheld/kept which includes Rs. 540 lakhs in the form of a Security Deposit and a balance of</p>	Qualified Opinion	Third Time	Not quantified by Auditor	Not quantified by Management	Reconciliation exercise of the transactions carried out with the GSA is under process and there has been continuous reduction in unreconciled amount. However, the impact, if any, would be known on completion of the reconciliation exercise.	N.A.

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<p>Rs. 240 lakhs in the form of a Bank Guarantee to cover increased business volume, which is not exactly in consonance with terms of extension letter and directives of Board.</p> <p>ii. We continue to observe that various conditions of the agreement with SPYJ were not complied &/or not enforced like credit limit, reconciliation, monthly evaluation, additional Bank Guarantee (BG) etc. Despite raising the issues in the previous years and also in the current year. There is periodical reconciliation of PLB from Airlines, identification of unlinked receipts, credit note delays, settlement of commission bills after receiving full payment from SPYJ clients, compliance of SoP etc. There is progress in reconciliation of account with SPYJ, however, still there is a gap of Rs 11.69 lakhs (PY Rs 34.95 lakhs). Above mentioned deficiencies have repercussions on timely compliance of TDS and provisions under GST Act.</p>						
<p>B. ATT (ITDC) has entered into Memorandum of understanding (MOU)/ Travel Services Agreement (TSA) with its various customers comprising of mainly Ministries/Govt. Departments/ Government organisations for rendering travel related services of Domestic and International Air Ticketing at "00"/ Nil charge. Further an Office Memorandum (OM) was issued by MoF on 16th June ,2022 for non-levy of any agency charges/ convenience fee. In few cases/services the company is yet to implement such clauses of TSA and</p>	<p>Qualified Opinion</p>	<p>Second Time</p>	<p>Not quantified by Auditor</p>	<p>Not quantified by Management</p>	<p>The company is in compliance of relevant OMs issued by ministries while entering into agreement with/MOU with customers. Also, the terms of the billing</p>	<p>N.A.</p>

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<p>aforementioned (OM).</p> <p>In view of circumstances stated in para 1 and 2 above, we are unable to comment on the final outcome of non-compliance of terms of Agreement, confirmations, reconciliations and/or assessment of recoverability of outstanding in the accounts pertaining to SPYJ and ATT customers and its consequential impact on the Standalone Financial Statements.</p>					<p>are under examination with respect to the guidelines issued by MoF, if any.</p>
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