

33rd ANNUAL REPORT 1997-98

MD	✓		BKC	NA
CS	✓		DPY	NA
RO	NA		DIV	✓
TRA	NA		AC	✓
AGM	NA	-	SHI	✓
YE	✓	-		

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भारत पर्यटन विकास निगम लिमिटेड
INDIA TOURISM DEVELOPMENT CORPORATION LTD.

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भारत पर्यटन विकास निगम लि०

INDIA TOURISM DEVELOPMENT CORPORATION LIMITED



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[Review and Comments of the Comptroller and Auditor General of India under Section 619(4) are being awaited and will be placed on the table]



INDIA TOURISM DEVELOPMENT CORPORATION LIMITED**Directors' Report****To****The Members,**

Your Directors have pleasure in presenting the 33rd Annual Report on the working of the Company, together with audited accounts for the financial year ended 31st March, 1998.

Financial Performance

The financial performance of your Company for the year 1997-98 is given below :

<u>Particulars</u>	<u>(Rs in crores)</u>	
	<u>1997-98</u>	<u>1996-97</u>
Turnover	313.20	315.73
Operating Profit	60.97	86.10
Interest	0.07	0.15
Depreciation	6.18	6.55
Profit before Tax for the year	54.72	79.40
Provision for Taxation	11.42	23.60
Profit after Tax	43.30	55.80
Proposed Dividend	13.50	13.50

1997-98 was a difficult year for the travel and hospitality industry. General economic recession, drop in the Corporate and business traffic, shift of International Conferences to other destinations, economic shake up in the South Asian economies, heavy devaluation of currencies of Far East Countries contributed in decelerating tourist movement to India, resulting in overall decline in occupancy levels. This, coupled with increase in operating costs, has resulted in decline in profits of your Company.

Your Company has undertaken various measures to reduce costs and increase turnover. These include aggressive domestic marketing, marketing tie-up with Indian Airlines, Alliance Air & HCL, appointment of reservation consolidators in major source markets, promotion of residential conferences, extensive advertising campaigns to project the properties, etc. Measures to reduce operating costs by standardisation, close monitoring controls etc are expected to yield results in the current year.

Dividend

For the year ended 31st March, 1998, your Directors recommend payment of dividend @ 20% on the paid up share capital, the same rate as declared for 1996-97, absorbing Rs 13.50 crores.

Network of Services

The ITDC network of services comprises 26 Ashok Group of Hotels (including 2 Palace Hotels and 2 Beach Resorts), 6 Joint Venture Hotels, 5 Restaurants (including 4 Airport Restaurants), 11 Ashok Travels & Transport units, 1 Tourist Service Station, 29 Duty Free Shops at six international airports, a Tax Free Shop and one Sound & Light Show. The Corporation also provides catering services at Western Court, Hyderabad House, Vigyan Bhawan and National Media Centre, Shastri Bhawan, New Delhi besides managing a Forest Lodge, a Restaurant and two Sound & Light Shows owned by the Department of Tourism.

Disinvestment

The Govt have decided to appoint an Adviser to examine various alternatives/options of disinvestment of its shareholding in the ITDC.

50 Years of India's Independence

To celebrate 50th Year of India's Independence, a number of programmes like Special Golden Jubilee Menu, Illumination of hotel buildings, cultural / fun theme performances / parties were organised by various hotel units of the Corporation. Further,

special events like freedom run/walk, fireworks, hosting "Theme Lunches" to prominent freedom fighters, sports competitions, tree plantations, cultural programmes, special buffet, etc. were organised.

Ashok Group of Hotels

As indicated above, the performance of Ashok Group of Hotels was adversely affected during 1997-98 due to general decline in tourist arrivals in the country. As a result, the sales turnover of Ashok Group of Hotels declined by 2.4%; from Rs 201.36 crores in 1996-97 to Rs 196.57 crores in 1997-98.

During the year 1997-98 also, the Ashok Group of Hotels hosted several international and national conferences and seminars which include prestigious events like (i) NAM Ministerial Conference; (ii) Australian Federation of Travel Agents Conference ; (iii) International Bar Association Conference; (iv) National Tourism Award Presentation Ceremony, etc.

On the occasion of "India Tourism Week" Celebration from January 25-31, 1998, Ashok Group of Hotels all over the country organised a variety of food festivals covering different Indian cuisines. These food festivals received good response from the public at large. A four-day Indian Classical Music and Dance Festival was also organised by Ashok Theatre at Ashok Hotel, New Delhi, in collaboration with Department of Tourism.

With a view to promoting Ashok Group of Hotels and popularising Indian cuisine abroad, ITDC participated in Food Festivals at Stockholm, Bonn and Frankfurt (Germany). ITDC also deputed a team of Chefs/Cooks to prepare authentic Indian cuisine at the Indian Food Festival organised at Forum Hotel Nicosia.

Marketing & Hotel Sales

As part of its overseas marketing strategy, ITDC participated in major Travel Marts and Fairs such as WTM, London; EIBTM, Geneva; ITB, Berlin; PATA,

Singapore; TAAI and SATTE in Colombo for promotion of Ashok Group of Hotels and to generate business. ITDC also participated in domestic Travel Fairs such as India Tourism Expo held in New Delhi on the occasion of India Tourism Week, Travel & Tourism Fair at Mumbai and INITT, Delhi. Familiarisation Tours for Travel Agents, Travel Writers and Journalists from various countries were organised to acquaint them with ITDC properties and tourism infrastructure facilities. A number of important national and international conferences were also negotiated and organised.

In addition, emphasis was laid on business generation through domestic market segment and the steps taken include tie-ups with IBTC, ISIC, Standard Chartered Bank, Canara Bank, 'RESNET', SABRE GDS-CRS, Indian Airlines, etc., Sales Blitz in major Indian cities, etc. Special Packages were devised and floated to generate leisure/corporate business.

Home Pages of ITDC Services such as Hotels, Conference Venues, ATT, Duty Free Shops have been hosted on INTERNET. To tap vast potential of Internet users, domain names were obtained. Home Pages of ITDC have also been installed in the following sites :- PATANET, IOTONET, ASIATRAVELNET, CNNI and our Elite Hotels on FHRAENDIA. Additional Internet address Ashokgroup.com. was also obtained.

Duty Free Shops

The Duty Free Trade Division celebrated 50 Years of India's Independence and 30 years of Duty Free business in India with constant promotions in the Shops. The Main Departure Shop at the IGI Airport, Delhi was upgraded with personalised counters for Fragrances, Spirits and Tobacco products. The Confectionery and Toys Section was augmented, leading to increased sales. The latest launches in Fragrances were added to the assortment. These, together with the 'gift with purchase' schemes, added to the excitement in the Shops.