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Board of Directors

(as on 4th September, 2013)

Managing Director

Shri Girish Shankar

Functional Directors

Cmde. (Retd.) Ratan Kumar Okhandiar
Director (Commercial & Marketing)

Shri Trinath Behera
Director (Finance)

Government Nominee Director

Dr. (Ms.) T. Kumar

Company Secretary

Shri V.K. Jain

Registered Office

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

Statutory Auditors

M/s V.K. Verma & Co.
C-37, Connaught Place
New Delhi-110001

Branch Auditors

M/s A.K. Patel & Associates

M/s Vinod Singhal & Co.

M/s Jain & Jain

M/s J.P. Goyal & Co.

M/s Guru & Ram

M/s M N S & Co.

M/s Narendra & Co.

M/s Pachnanda & Associates

M/s Salarpuria Jajodia & Co.

M/s Suru Kotni & Associates

M/s Vinod Kumar & Associates

Bankers

Canara Bank

Central Bank of India

Corporation Bank

Indian Bank

Indian Overseas Bank

Bank of India

Punjab National Bank

State Bank of India

State Bank of Hyderabad

State Bank of Patiala

IDBI Bank Ltd.

HDFC Bank

United Bank of India

Syndicate Bank

Axis Bank

Notice

Notice is hereby given that 48th Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Monday, the 30th September, 2013 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, 2013 and Profit & Loss Account for the year ended on that date together with the Report of the Auditors, Comptroller and Auditor General of India and the Directors' Report thereon.
- (2) To appoint a Director in place of Cmde (Retd.) R. K. Okhandiar, Director (C&M) who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers himself for re-appointment.

By Order of the Board of Directors

Place: New Delhi
Dated: 04.09.2013

(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 27th day of September, 2013 to 30th day of September, 2013 (both days inclusive).
4. Members having any questions on accounts or any other item set out in the Agenda are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect the relevant information and to keep the information ready at the meeting.

To

- (i) All Members of India Tourism Development Corporation Ltd.
- (ii) M/s V. K. Verma & Company, C-37, Connaught Place, New Delhi - 110 001
- (iii) All Stock Exchanges

Copy to

- 1. The President of India through Shri Rajender Prasad, Asstt. DG(PSU), Ministry of Tourism
- 2. All Members of the ITDC Board.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 48th Annual Report together with the audited accounts of the Corporation for the year ended 31st March, 2013.

Your Corporation has achieved a total turnover of ₹ 440.64 crore during the financial year 2012-13 as against ₹ 423.06 crore in the previous year 2011-12 indicating an overall increase by 4.15%. The increase in overall turnover has been achieved in all the commercial divisions except Hotel Ashok and Engineering Division. During the financial year 2012-13, the Corporation has recorded a Net Profit (before tax) of ₹ 5.48 crore as against Net Profit of ₹ 22.02 crore in previous year 2011-12.

Performance Highlights

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

(₹ in crore)		
Particulars	2012-13	2011-12
Turnover	440.64	423.06
Operating Profit/(Loss)	13.73	28.20
Less: Depreciation	5.89	5.53

Add/(Less) Prior period adjustments & extra-ordinary items	(-)2.36	(-)0.65
Profit before Tax	5.48	22.02
Add/(less): Deferred Tax	(-)0.59	(-)7.47
Less: Provision for Income Tax	2.20	6.00
Less: Provision for Wealth Tax	0.01	0.01
Add/(Less): Provision for Income Tax for earlier years written back	0.32	0.00
Profit after Tax	3.00	8.54
Amount available for appropriation	3.00	8.54
Proposed Dividend	-	4.29
Dividend Tax	-	0.70
Equity Capital	85.77	85.77
Capital Employed	277.25	271.91
Rate of Return on Capital:		
Before Tax	6.38%	25.67%
After Tax	3.5%	9.96%
Rate of Return on Capital Employed:		
Before Tax	1.98%	8.09%
After Tax	1.08%	3.14%

Operating Ratio

The Operating Ratio has increased by 3.55% in the current year with the overall operating ratio of 96.88% as against 93.33% in the previous year 2011-12.

Division wise Financial Performance

The Division wise financial performance of the Corporation is summarized as under:-

Hotels Division has achieved turnover of ₹ 250.59 crore during the year 2012-13 as against ₹ 257.70 crore in the previous year 2011-12 indicating decrease by 2.84% and incurred the net loss of ₹ 4.81 crore as against the net profit of ₹ 10.61 crore in the previous year mainly due to provision for property tax dues determined on assessment of Delhi based 3 hotel properties and increase in expenditure on power & fuel etc.

The turnover of Ashok International Trade Division (AIT Division) has increased to ₹ 11.35 crore from ₹ 9.18 Crore in the previous year. During the year 2012-13, there were 7 duty free shops in operation at Goa, Goa Seaport, Coimbatore, Haldia Port, Kolkata Port, Chennai Port and Mangalore Port. During the year 2012-13, the AIT Division has incurred a net loss of ₹ 3.96 crore as compared to a net loss of ₹ 2.49 crore in the previous year mainly due to high rent cost.

The turnover of Ashok Travels & Tours (ATT) Division has increased to ₹ 106.61 crore from ₹ 92.04 crore in the previous year registering an increase by 15.83%. The ATT Division has incurred a net loss of ₹ 1.99 crore as against the net

profit of ₹ 0.07 crore in the previous year.

The turnover of Ashok Tourist Service Station (ATSS) has increased to ₹ 10.45 crore from ₹ 10.37 crore in the previous year registering a marginal increase by 0.77%. The ATSS has suffered a net loss of ₹ 0.17 crore as against the net loss of ₹ 0.20 crore in the previous year.

The turnover of the Ashok Creative Division (including SEL Red Fort) has been recorded at ₹ 6.92 crore (previous year ₹ 5.05 crore) and has incurred a loss of ₹ 1.51 crore as against net loss of ₹ 1.03 crore in the previous year 2011-12.

The Engineering Division has achieved a turnover of ₹ 4.57 crore during the year 2012-13 (previous year ₹ 5.73 crore) with net loss of ₹ 11.06 crore as against net loss of ₹ 8.11 crore in the previous financial year 2011-12 mainly due to provision of ₹ 5.77 crore as litigation loss on final resolution of the matter under litigation.

The turnover of Ashok Events Division has increased to ₹ 17.06 crore (previous year ₹ 13.98 crore) with net profit of ₹ 2.94 crore as against loss of ₹ 1.57 crore in the previous year.

The Ashok Institute of Hospitality and Tourism Management (AIH&TM) has achieved a turnover of ₹ 7.76 crore as against ₹ 4.80 crore in the previous year

Plan Schemes

The Revised Capital Budget Estimates towards capital expenditure for 2012-13 was ₹ 43.12 crore which included ₹ 30.40 crore for renovation/improvement on existing hotels, catering units and other divisions. The capital budget for ATT was ₹ 0.20 crore and ₹ 2.52 crore for other activities of the Corporation. For setting up Global Tourism University, ₹ 10 crore was kept for investment in land. The capital expenditure during 2012-13 was ₹ 3.47 crore out of which ₹ 0.78 crore was capitalized and ₹ 2.69 crore was charged to revenue.

The Plan outlay for the year 2013-14 is ₹ 136.81 crore out of which ₹ 58.25 crore relates to renovation/improvement in existing hotels, catering units, other divisions and ₹ 8.56 crore relates to other activities of the Corporation. For setting up Global Tourism University, ₹ 70 crore was kept for investment in land.

Implementation of Official Language Policy

During the year 2012-13, the Company continued its efforts to give impetus to the use of Hindi in official work through motivation and training. Cash incentives were granted to them on doing prescribed quantum of work in Hindi. Hindi workshops were organized to provide practical training of noting-drafting and other works in Hindi. Various Hindi competitions were also organized during Hindi Fortnight celebrations for giving impetus to the use of official language in day to day work. Hindi Kavighoshthi, Hindi Natya Manchan and Hindi

with net profit of ₹ 0.72 crore (previous year net profit of ₹ 0.53 crore).

The Corporate Headquarters, being the administrative office, has earned an income of ₹ 25.34 crore (previous year ₹ 24.22 crore) mainly consisting of income from interest on short term deposits with banks from the surplus funds available with it.

Capital Structure

There is no change in authorized and paid-up capital of the Corporation. The Authorized Capital of the Corporation is ₹ 150 crore and the paid-up Share Capital of the Company is ₹ 85.77 crore as on 31st March, 2013.

Dividend

Since the Corporation has not earned adequate profit during the year 2012-13, no dividend for the year is proposed to be recommended by the Board.

Rating of ITDC vis-à-vis MoU Targets

Performance of the Company for the year 2011-12 has been notified as 'Fair' with Composite Score 3.921 by Department of Public Enterprises (DPE) in terms of the MoU signed with the Government of India.

Management Discussion and Analysis

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

Prize Distribution Event were also organized to encourage official language in the Corporation.

Particulars of Employees

None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Conservation of Energy & Technology Absorption

Commitment towards energy conservation remains in the units at various stages of operations. Commercial considerations, energy conservation policies and practices play a vital role in the endeavours made in this direction.

Since your Company's operations 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 2012-13 has decreased to ₹ 19.72 crore as against ₹ 20.38 crore in the previous year. The outgo of foreign exchange during the year 2012-13 is ₹ 4.87 crore as against ₹ 2.73 crore in the previous year 2011-12.

During the year, 8 officials were sent

on foreign tours at the cost of ₹ 10.16 lakh approximately in connection with promotion of the Company's business.

Subsidiary Companies

The Corporation has seven subsidiary companies viz. (i) Donyi Polo Ashok Hotel Corporation Ltd (ii) Assam Ashok Hotel Corporation Ltd (iii) MP Ashok Hotel Corporation Ltd (iv) Pondicherry Ashok Hotel Corporation Ltd v) Ranchi Ashok Bihar Hotel Corporation Ltd (vi) Utkal Ashok Hotel Corporation Ltd and (vii) Punjab Ashok Hotel Company Ltd. The Hotel Units were set up under the aforesaid subsidiary companies at Itanagar, Guwahati, Bhopal, Puducherry and Ranchi respectively. The operation of Hotel unit at Puri is closed since March, 2004 and the Hotel has been planned to be leased out. The Hotel project at Anandpur Sahib is incomplete. The Annual Accounts of all the subsidiary companies have been audited and finalized and the Consolidated Annual Accounts pursuant to Clause 32 of the Listing Agreement has been prepared and presented in this Annual Report.

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

The Ministry of Corporate Affairs vide its General Circular No. 2/2011 has granted exemption for attaching the Balance Sheet of Subsidiary Companies with the Parent/ Holding Company under Section 212(8) of the Companies Act, 1956 provided certain conditions are fulfilled. In terms of the said circular, a

statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2013 is enclosed as **Annexure VI** of this report. In terms of aforesaid circular, it is affirmed that annual reports of the subsidiary companies and the related detailed information shall be made available to shareholders of the ITDC and subsidiary companies as and when required. It is further affirmed that annual accounts of the subsidiary companies shall also be made available for inspection by any shareholders in the head office of the ITDC and of the concerned subsidiary companies. The shareholders, if they desire, may write to the company to obtain a copy of financials of the subsidiary companies.

Board of Directors

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

During the year under review, Shri Shankersinh Vaghela (w.e.f. 13.06.2012) was appointed as Part time Chairman and Non-official Director in the rank of Cabinet Minister, Cmde (Retd.) R. K. Okhandiar (w.e.f. 10.07.2012) was appointed as Director (C&M), Shri Girish Shankar (w.e.f. 06.09.2012) Additional Secretary-Ministry of Tourism was appointed as Govt. Nominee Director and Shri J. S. Mathur (w.e.f. 04.03.2013) Additional Secretary & Financial Advisor-Ministry of Tourism was appointed as Govt. Nominee Director pursuant to Article 61 of the Articles of Association of the Corporation.

During the year under review, Shri Anand Kumar (w.e.f. 6.9.2012),

Shri P. K. Agarwal (w.e.f. 28.9.2012), Shri Shankersinh Vaghela (w.e.f. 28.11.2012) and Shri Chirravuri Viswanath (w.e.f. 4.3.2013) ceased to be on the Board of Directors. The present composition of the Board is as under:

- i) Shri Girish Shankar, Additional Secretary of the Ministry of Tourism was given Additional Charge of the post of Managing Director, ITDC w.e.f. 23.04.2013
- ii) Cmde (Retd.) Ratan Kumar Okhandiar, Director (C&M) w.e.f. 10.07.2012
- iii) Shri Trinath Behera, Director (Finance) w.e.f. 26.04.2013
- iv) Dr. (Ms.) T. Kumar, Additional Secretary & Financial Advisor-Ministry of Tourism as Govt. Nominee Director w.e.f. 04.09.2013

Pursuant to Article 61 of the Articles of Association, Cmde (Retd.) R. K. Okhandiar, Director (C&M) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Cmde (Retd.) R. K. Okhandiar is M.Sc. (Physics); M.Sc.(Defence Studies & Management), M.Phil (Defence Studies & Management) and MBA (Marketing). He had served Indian Navy in the Executive Branch since 1st July, 1979 and has been a Gunnery & Missile specialist. He has commanded four warships and held several key appointments in the Navy including Principal Director of Staff Requirements at Naval

Headquarter. He was President of 33 Services Selection Board at Bhopal before leaving Indian Navy. He is also Director in all the eight Joint Venture Companies of ITDC.

Corporate Governance

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

- (i) CEO/CFO Certificate [as per Clause 49(v)]; and
- (ii) Certificate from the Company's Auditors [as per clause 49 (vii)] along with the management reply to qualifications.

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, 2013, the applicable accounting standards have been followed read along with proper explanation relating to departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the

end of the financial year and of the profit of the Company for the year under review.

- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

Auditors and Auditors' Report

The Comptroller & Auditor General of India have appointed M/s V. K. Verma & Company, Chartered Accountants as Statutory Auditors of the Company and also various Branch Auditors for the year 2012-13 under Section 619(2) of the Companies Act, 1956. The Management's replies to the comments and observations of the Statutory Auditors on the accounts (Standalone and the Consolidated) for the year 2012-13 are given in **Annexures - III, IV & V**.

Comments of the Comptroller and Auditor General of India

The comments of the Comptroller & Auditor General of India, under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the financial year ended 31 March, 2013 is set out elsewhere in the Annual Report.

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 organization 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, put the Company on the path of progress.

For and on behalf of Board of Directors

Date: 04.09.2013
Place: New Delhi

(Girish Shankar)
Managing Director

Management Discussion and Analysis Report

Global and Indian Scenario

Global Economy has still not recovered from downward trend due to lack of strong stimulation. Against this, Emergent economies including India grew by 4.1% in 2011 which was higher than developed economies which grew by 3.6%. Indian Economy has been impacted by the global growth slowdown. India's growth forecast in 2013 is 5.7% against the 8% growth achieved in the past. Moreover, persistent inflation and fall in rupee may further cause a dent in the growth.

Despite slowing economy, Tourism in India registered a growth. Foreign Tourist Arrivals (FTAs) in India registered a growth of 5.4% in the year 2012 over the previous year 2011. However, this growth is slower than the growth of 8.9% achieved in the year 2011 and 8.1% in the year 2010.

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

A. Hotels Division

Hotels Division comprising of 15 properties with 1463 rooms located all over India. This includes five Joint Venture Hotels and two managed properties. Apart from this, ITDC is running one Restaurant at Taj in Agra and three Catering Units. Hotels are a part of well known established Hotel chain - 'The Ashok Group of Hotels'.

As a part of a dual pronged strategy to promote culinary strength of ITDC Hotels as well as to promote Indian Cuisine abroad, ITDC participated in many Culinary Festivals during the year. Besides, the Ashok organized various festivals and promotions at their Restaurants. The events like Special Wine Promotion, Kabab with Chivas, IPL Food Festival, Steal a Deal Food Promotion and Olympic Food Festival received tremendous response.

ITDC Hotels actively participated in the implementation of training students under 'Hunar-Se-Rozgar' (HSR) scheme of the Ministry of Tourism. These Hotels are acting as test laboratories for 'Hunar-Se-Rozgar' programme.

A new Jain and Marwari Restaurant 'Shraman' has been opened in 'The Ashok'. The Amphitheater at 'The Ashok' got a major facelift through the renovation.

Some of the measures taken for improving the performance are :

- New F&B outlets are soon coming up at The Ashok, New Delhi viz. Chinese cuisine, Mediterranean cuisine, Night club and Discotheque.
- Incorporated new dishes in Room Service, The Oudh and The Samavar.
- ISO Certification of Kitchen at Hotel Patliputra Ashok, Patna has been completed.
- Upgrading of products through utilization of idle capacities like new restaurants on lease basis.

As a future plan, a major renovation drive for upgradation of Hotel Jaipur Ashok has been planned. A new state of the art Convention Centre is coming up at Hotel Ranchi Ashok for which the foundation stone was laid on 10th August, 2012. Hotel Pondicherry Ashok is planned to be developed as a tourist destination. The DPR has been approved by the Board of Pondicherry Ashok and the ITDC. The process of leveraging of hotel properties for new product development and diversification under Public Private Partnership (PPP) has been initiated. Formation of Joint Venture Company with Tripura Tourism Development Corporation (TTDC) for establishing a Hotel at Agartala is underway.

Lease of some of the properties are going to expire. ITDC is pursuing with the State Governments to renew these leases.

B. Ashok Creatives Division

Ashok Creatives undertakes Publicity and Advertising services for the Corporation and its Clients. The Division has the expertise of formulating media strategy/planning, execution of Advertising campaigns as well as Publicity related works.

During the year, the Division focused stand on sourcing more work from its existing and new clients viz. TRIFED, DMICDC, ASI and through various conference business procured by Ashok Events Division.

The Ashok Creatives Division is making aggressive marketing efforts to source in works from PSUs and Government bodies as well as co-ordinating with empanelled agencies to work as co-partners in assignments and bid for new works.

The main constraint is that technical manpower is considerably inadequate and not exposed to the latest developments in their respective fields through workshops, seminars etc. held in India and abroad.

C. Ashok International Trade Division

AITD Business is divided into two segments i.e. Airport Business and Seaport Business.

The business at Airports is marked by heavy costs both capital and operating; the airport rentals are very high. The high rentals at Goa and Coimbatore airports adversely affected the financials of the Division.

Since modern airports have some critical criteria which ITDC does not qualify, AITD is more focused on seaports. ITDC has shown better performance through seaport shops. At present, AITD has presence at 6 seaports and at one more seaport at Kakinada, it is awaiting custom Licence.

Due to high rental of Goa Airport, AITD has decided to close the DFS at Goa Airport from August 2013.

D. Ashok Travels and Tours Division

Ashok Travels & Tours (ATT) - a Travel Division of ITDC, provides all travel related services like Ticketing / Car Rentals / Hotel Bookings / Package Tours to various Ministries, Government departments, Corporates and also to general public.

During the year 2012-13, ATT has achieved a turnover of ₹ 106.61 crore. The turnover is increased by 15.83% over the previous year.

During 2013-14, ATT is poised to achieve a turnover of ₹ 135 crore and in order to achieve this, following initiatives have been taken:

1. Increasing the volume both in Air ticketing and Package Tours by appointing GSAs;
2. Launching the Online Travel Portal;
3. Developing student package for Government / Private schools;

4. Inducting fresh and fit young professional manpower on contractual basis for large scale expansion and customer's satisfaction.

ATT is exploring new avenues for the growth and consolidation of business.

E. Ashok Institute of Hospitality & Tourism Management

The current activities of AIH&TM are:

- 4-year Bachelor's Degree course in International Hospitality Business Management (BIHBM) affiliated to Kurukshetra University.
- One year Diploma in various Hospitality Trades through National Institute of Open Schooling (NIOS).
- One year residential training in Travel, Tourism & Hospitality Courses sponsored through the Ministry of Development of North Eastern Region (DONER).
- AIH&TM also imparts on the job training to Industrial/ summer trainees from various professional institutes in different departments of the Hotel.
- Executive Development Programmes as per the requirement received from various Tourism Development Bodies.
- AIH&TM is an approved implementing agency of the Ministry of Tourism for 'Hunar-Se-Rozgar' programme.

VISION FOR AIH&TM:

- Expansion of infrastructure possibly clearance of Tennis Court land from L&DO and constructing a new campus with state of Art facilities.
- Affiliation with NCHMCT to offer B.Sc. course in order to increase student strength.
- Designing craftsman course of 03 to 06 months duration offering multi entry and exit options.
- Expansion of NIOS courses by having partnership on sharing basis with private institutes.
- Implementing other schemes of MoT under CBSP scheme like 06 months skill upgradation, Skill Certification course etc.
- Forming an alumni association.
- Participation in more inter college competition to give more exposure to our students.
- Arranging for campus placements with other hotel chains.
- Requirement of more faculties committed towards work. Setting up of standard operating procedures for new activities which have started at AIH&TM like one year diploma course.

- Aggressive marketing for increasing the business by renewing our association with State Tourism Departments and State Bhawans.
- Increasing incentives for students and teachers like field trips etc.
- Organizing short workshops for students by inviting industry experts on various subjects.
- Increasing participation in inter-college competitions and having more interface of students with industry experts.

F. Ashok Consultancy & Engineering Division

The completed projects of Ashok Engineering & Consultancy are upgradation of Imphal Hotel at Manipur, additional Banquet Hall at Hotel Patliputra Ashok, Patna and construction of wayside amenities at Kawkulh and construction of Zohtlang Tourist Lodge at Lunglai at Mizoram.

Some of the ongoing projects are convention centre at Hotel Ranchi Ashok, construction of memorial in the name of Smt. Vidya Watiji, mother of Shaheed Bhagat Singh at Moranwali village, setting up of a museum and picture gallery and upgrading the facilities for SEL at Namdhari Darbar, Ludhiana.

Under consultancy services, the projects include developing a joint venture hospitality and commercial project at Gwalior, revival of incomplete hotel project at Anandpur Sahib through PPP mode and preparation of master

plan for development of tourist centre at Kharaghoda, Gujarat, Sambhar Salt Works, Rajasthan and abandoned mines at Mandi.

Future strategy is to focus on various infrastructure and renovation projects with various Ministries and State Governments, to assist State Governments in the preparation of master plan of tourism for another 15-20 years and adoption of Project Management Consultancy approach.

G. Sound & Light Show Division

ITDC is pioneer in mounting of SEL Shows. ITDC is presently working on many SEL projects sanctioned by the Ministry of Tourism/ State Tourisms like SEL Show at Ross Island & Cellular Jail- Andaman & Nicobar Islands, Shalimar Bagh- Srinagar, Dal Lake- Srinagar, Kanke dam - Jharkhand, Shilpgram-Deoghar- Jharkhand, Talatal Ghar- Assam and Shri Bhaini Sahib- Ludhiana, Tilyar Lake Rohtak-Haryana,

Detailed Project Report for SEL Show project at Moosi Maharani Ki Chhattri - Sagar - Alwar, Konark Temple-Puri, Udaigiri, Bhubaneswar, Dauli- Bhubaneswar, Ratnagiri- Odisha, Diu Fort - Diu, Jammu- J&K, Katra- J&K, Leh- J&K, have been submitted to the Ministry of Tourism/ State Tourism for sanction. Sanctions are awaited.

ITDC is also operating SEL Shows at Red Fort and Purana Quila, New Delhi.

H. Ashok Events Division

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

During the year 2012-13, the Ashok Events Division handled more than 80 events. Major Events were ASEAN Ministerial Conference organized by MoEF, PETROTECH 2012, CAPAM Conference, 4th OECD World Forum organized by the Ministry of Statistics & Programme Implementation, Mahatma Gandhi NREGA Sammelan, 2013 and 10th International Heavy Haul Conference, 2013 by Railway Board & IRCTC.

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

3. ITDC - SWOT Analysis

Strengths

- Well Established Brand for 46 years
- Properties at Prime Locations
- Large accommodation, F&B and Convention facilities
- Well recognised expertise in State Banquets, VVIP catering, Gala dinners, Domestic and global event management, Sound & Light Shows and media planning-branding

- Patronage of the Ministry of Tourism and other Govt. Agencies

Weakness

- Properties requiring significant upgradation and extensive renovation
- Ageing manpower
- High operating costs due to high wage bill

Opportunities

- Leveraging Hotel Properties for new product development and diversification
- Event Management
- Hospitality Education Sector

Threats

- Stringent directions on tendering procedures leading to time and cost overrun in all projects.
- Cut throat competition
- Wage & Productivity imbalance
- Lease period of some of the properties expiring

4. Outlook

Despite over supply and stiff competition leading to price de-stability, Travel and Tourism Sector has huge potential and is full of opportunities. The long term outlook for India's Travel and Tourism Sector is positive. According to World Tourism and Travel Council, demand for Travel and Tourism in India will grow annually by 8.2% during the period 2010 to 2019.

Apart from Hotel Segment, the Corporation is paying due attention to all the verticals specially Sound & Light Show where ITDC has exclusive expertise.

Proposed new projects viz. Tourist Destination at Puducherry, Convention Hall at Ranchi, leveraging properties by utilizing un-utilized space and a Joint Venture Hospitality and Commercial project at Gwalior indicate bright outlook for ITDC.

5. Risk and Concerns

Tourism is a sensitive product. During the year under review, it has been affected by general economic conditions like slowdown both global and within the country, increasing inflationary pressure, cut throat competition due to excess hotel room supply, Socio-political risk like increasing threat of terrorist activities, extreme weather conditions and natural calamities etc.

Company's specific risks are increasing dependence on Government Business, stiff competition with private hotels, threat to market share and depleting experienced workforce.

Corporation is making its best efforts in the marketing field to remain competitive and procure more business both from Government Sector and non-government parties. Some of the initiatives taken by the Corporate Marketing & Sales Division to market and promote ITDC properties, are as under :

- Formulation of tariff for all ITDC Hotels for the year 2013-14.
- Introduction of Summer Gateway Packages/Promotions.
- Sales Blitzs were undertaken in different source markets.
- ITDC participated in trade fairs and travel marts (including SATTE, (New Delhi); Great India Travel Bazaar 2013 (Jaipur); World Travel Mart 2012 (London); ITB 2013 (Berlin); Arabian Travel Mart 2013 (Dubai); MICE Travel Mart (Mumbai).
- Product familiarization visits were organized in our properties of travel agents, opinion markers etc.
- In the endeavour of introducing a Customer Relationship Management System for our guests, the Online Guest Survey Form has been introduced in June 2013 wherein guests staying at Delhi based properties are being sent an online Form that is geared both at eliciting feedback and “engaging” with our guests.

6. Vision and Mission

As per MoU 2013-14 signed between ITDC and the Ministry of Tourism, the vision and mission of the Corporation are as under :

VISION

To make every division and unit comparable to excellence with the best in the country and the world. To continue the tradition of pioneering tourism development in the country, strive for excellence in all commercial activities and create extraordinary value for our stakeholders.

MISSION

To provide leadership and play a catalytic & pioneering role in the development of tourism infrastructure in the country and to achieve excellence in its strategic business units through professionalism, transparency, value for money based customer-focused services; be future ready in ever-changing & evolving dynamic global tourism scenario.

7. Internal Control

The Corporation has adequate internal control system commensurate with its needs. Internal Auditors have been selected from the list of firms having experience of conducting audit of hotels and/or related operations of the units. Further, no major internal control weakness has been reported by the Branch/Statutory Auditors.

The Corporation has comprehensive manuals such as Purchase Manual, Engineering Manual and Licensing

Procedures etc. for Internal Checks & Control system. Further, the Corporation introduced an Internal Audit Manual prepared by the Institute of Public Auditors of India. The Internal Auditors have been advised to follow the Internal Audit Manual.

8. Human Resource Management and Industrial Relations

The total number of employees in the Corporation as on 31.3.2012, were 2032 which have come down to 1874 as on 31.03.2013 (excluding 104 employees engaged on Direct contract basis). Out of 1874 employees, 552 employees belong to Scheduled Caste (SCs), 45 belong to Scheduled Tribes (STs) and 90 to Other Backward Classes (OBCs). 01 employee is recruited as Assistant Manager during the financial year 2012-13. Moreover, 219 employees were promoted to the next higher posts, out of which 53 employees belong to

Scheduled Castes (SCs), 03 employees belong to Scheduled Tribes (STs) and 08 belong to Other Backward Classes (OBCs). Further, there are 272 Women employees working in ITDC as on 31.03.2013 constituting 14.51% of the total workforce of the Corporation. Of these, 71 are at Executive level and 201 are at non-executive level.

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

Cautionary Statement

Statement in the Management Discussion and Analysis describing the Company's objectives, 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.