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Board of Directors

(As on 14th August, 2015)

Chairman & Managing Director

Shri Umang Narula

Functional Director

Shri Piyush Tiwari
Director (Commercial & Marketing)

Government Nominee Directors

Dr. (Ms.) T. Kumar
Shri Girish Shankar

Independent Directors

Shri Anugolu Venkata Ratnam
Dr. (Ms.) Usha Kiran Rai

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 Santosh K. Aggrawalla & Associates
M/s Kishore & Kishore

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
Indusind Bank
ICICI Bank

INDIA TOURISM DEVELOPMENT CORPORATION LTD.

Registered Office: Scope Complex, Core 8, 6th Floor
7 Lodi Road, New Delhi-110003 Telefax: 011-24360249
E-mail: cs_itdc@theashokgroup.com Website : <http://www.theashokgroup.com>
CIN: L74899DL1965GOI004363

Notice

Notice is hereby given that 50th Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Monday, the 28th September, 2015 at 1600 hours in Ashok Hotel, New Delhi 110021 to transact the following business:-

Ordinary Business

- (1) To receive, consider and adopt the Standalone Financial Statements as at 31st March, 2015 together with the Report of the Auditors, Comptroller and Auditor General of India and the Board's Report thereon.
- (2) To receive, consider and adopt the Consolidated Financial Statements as at 31st March, 2015 and report of Auditors and Comptroller and Auditor General of India thereon.
- (3) To declare a dividend of 20% (i.e. ₹ 2.00 per share) aggregating ₹ 17,15,38,800/- on the equity share capital of the Company as recommended by the Board of Directors.
- (4) To appoint a Director in place of Shri Girish Shankar (DIN 02981860), Director who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers himself for re-appointment.

Special Business

- (5) To pass the following resolution as Ordinary Resolution:

“RESOLVED THAT Shri Umang Narula (DIN 03536402) who has been appointed as Additional Director by the Board of Directors in their meeting held on 22nd April, 2015 and whose period of office is to end on the conclusion of this Annual General Meeting and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received from a member, be and is hereby appointed as Director of the Company.”

(6) To pass the following resolution as Ordinary Resolution :

“RESOLVED THAT Shri Piyush Tiwari (DIN 07194427) who has been appointed as Additional Director by the Board of Directors in their meeting held on 29th May, 2015 w.e.f. 28th May, 2015 and whose period of office is to end on the conclusion of this Annual General Meeting and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received from a member, be and is hereby appointed as Director of the Company.”

By Order of the Board of Directors

Place: New Delhi
Dated: 01.09.2015

sd/-
(V.K. Jain)
Company Secretary
ACS 11270

Notes:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. Additional information in respect of the Directors seeking re-appointment at the AGM is furnished and forms part of the Notice.
3. 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. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority as applicable.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can be appointed as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital carrying voting rights.
4. The Members/Proxies should bring the Attendance Slip, duly filled in and signed, for attending the Meeting.
5. In compliance with provisions of Clause 35(B) of the Listing Agreement and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration)

Rules, 2014, the Company is offering Remote E-voting facility as well as voting through ballot paper at the meeting to all the Shareholders of the Company whose name is registered as on the cut-off date i.e. 20th September, 2015 in respect of all items to be transacted at this Annual General Meeting. User ID and Password for electronic voting are being provided by M/s Karvy Computershare Pvt. Ltd., the Registrar & Transfer Agent. The instructions for e-voting are given on the back of the Attendance Slip which is placed separately in the Annual Report.

All the members are requested to read those instructions carefully before casting their e-vote. Once the vote on a resolution is cast by a Member through Remote e-voting, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote through Remote e-voting, shall be allowed to attend the meeting but shall not be allowed to vote again at the Meeting. Members who have not voted electronically can cast their vote at the meeting through ballot paper.

A person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares on the cut-off date i.e. 20th September, 2015 will also be entitled to cast his vote and may obtain the User ID and Password. The manner of obtaining User ID and Password has been described in the e-voting Instructions.

6. The Register of Directors and KMP and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. Members are requested to :-
 - a) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the Meeting.
 - b) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue.
 - c) Note that the attendance slip/proxy form should be signed as per the specimen signature registered with the Company/Karvy Computershare Private Limited, Registrar & Transfer Agent (RTA)/Depository Participant (DP).
 - d) Note that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 - e) Quote their folio/Client ID & DP ID Nos. in all correspondence.
 - f) Note that no gifts/coupons will be distributed at the Annual General Meeting.

8. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 21st September, 2015 to Sunday, the 27th September, 2015 (both days inclusive) for the purpose of AGM and Dividend payment.
9. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid to those members whose name appear on the Register of Members as on the closing hours of 20th September, 2015.
10. Members holding shares in multiple folio in physical mode are requested to apply for consolidation to the RTA along with relevant share certificate.
11. Unclaimed dividend for the financial year 2007-08 will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) on 13.04.2016 pursuant to the provisions of Section 124 of the Companies Act, 2013.

Members are advised that details of unclaimed dividend in respect of the financial year 2007-08 and up to and including the financial year 2013-14 are available on the Company's website i.e. www.theashokgroup.com under the icon **About us-Investor Corner**.

Members should write to the company if their dividend warrants in respect of the aforesaid financial year(s) have not been encashed.

12. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA/Company.
13. Members who are yet to register their e-mail addresses with the Company or with the Depository Participants are once again requested to register the same. Further, Members whose shareholding(s) are in electronic mode are requested to direct changes relating to address, bank mandate and Electronic Clearing Service (ECS) details to their respective Depository Participants.
14. Electronic copy of the Annual Report for 2014-15, along with instructions for e-voting and Attendance Slip are being sent to all the members whose e-mail IDs are registered with the RTA/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report for 2014-15 are being sent in the permitted mode. Members can also see these documents at the Company's website www.theashokgroup.com under the icon **About us - Investor Corner** and physical copies of these documents are available at the Company's

- registered office for inspection during normal business hours on working days. Members who require these documents in physical form in addition to e-communication, may write to us.
15. 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.
16. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of M/s Karvy Computershare Private Limited to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed in this AGM. The Board of Directors of the Company has appointed Mr. Jalaj Srivastava (Membership No. 8498), Partner of M/s Jalaj Srivastava & Associates, Practicing Company Secretaries, as the Scrutinizer for this purpose.
17. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

Item No. 5 :

Clause 61 of the Articles of Association of ITDC states that the President of India shall be entitled by a notice in writing addressed to the Company by an order made and executed in the name of the President of India and authenticated as provided by the Constitution of India to appoint the Directors in ITDC including the Part Time Chairman/CMD/VC&MD/MD and whole time directors.

- 2 Pursuant to the powers given under Article 61 of the Articles of Association, Ministry of Tourism, vide its order No. 6/4/2014-PSU(T) dated 13.4.2015 has informed that the President of India, has appointed Shri Umang Narula, IAS (JK:89) as Chairman & the Managing Director in ITDC in the pay band of ₹ 37,400-67,000/- plus grade pay of ₹ 10,000/- for a period of five years from the date of taking over the charge of the post or until further orders whichever is earlier.
- 3 In accordance with the definition of the Managing Director, a person to be appointed as a Managing Director should necessarily be a director. As per Clause 61(c) of the Articles of Association of ITDC, Board has power to appoint a person as an additional director of a company. Accordingly, Board in its meeting held on 22nd April, 2015 appointed Shri Umang Narula as an additional director. Since the additional director was to hold office up to the date of the next Annual General Meeting, his appointment would be required to be regularized in this Annual General Meeting under Section 160 of the Companies Act, 2013. ITDC has received a notice from a shareholder proposing to appoint Shri Umang Narula as a Director liable to retire by rotation. Hence, this resolution is put up to the shareholders for appointing Shri Umang Narula as Director under Section 160 of the Companies Act, 2013 liable to retire by rotation.
- 4 None of the directors, key managerial personnel and their relatives except Shri Umang Narula and his relatives, is interested in the resolution.

Item No. 6 :

Clause 61 of the Articles of Association of ITDC states that the President of India shall be entitled by a notice in writing addressed to the Company by an order made and executed in the name of the President of India and authenticated as provided by the Constitution of India to appoint the Directors in ITDC including the Part Time Chairman/CMD/VC&MD/MD and whole time directors.

- 2 Pursuant to the powers given under Article 61 of the Articles of Association, Ministry of Tourism, vide its order No. 6/1/2014-PSU(T) dated 22.05.2015 has informed that the President of India, has appointed Shri Piyush Tiwari, DGM (Marketing) & RM(North) Rashtriya Ispat Nigam Ltd. as Director (Commercial & Marketing) in ITDC in the scale of pay of ₹ 65,000-75,000/- for a period of five years from the date of assumption of charge of the post or till the date of his superannuation or until further orders whichever is earlier.

- 3 As per Companies Act, 2013 Shri Piyush Tiwari is a whole time director. A whole time director should necessarily be a director. As per Clause 61(c) of the Articles of Association of ITDC, Board has power to appoint a person as an additional director of a company. Accordingly, Board in its meeting held on 29th May, 2015 appointed Shri Piyush Tiwari as an additional director w. e. f. 28th May, 2015 (i.e. Date of Assumption of charge). Since the additional director was to hold office up to the date of the next Annual General Meeting, his appointment would be required to be regularized in this Annual General Meeting under Section 160 of the Companies Act, 2013. ITDC has received a notice from a shareholder proposing to appoint Shri Piyush Tiwari as Director liable to retire by rotation. Hence, this resolution is put up to the shareholders for appointing Shri Piyush Tiwari as Director under Section 160 of the Companies Act, 2013 liable to retire by rotation.
- 4 None of the directors, key managerial personnel and their relatives except Shri Piyush Tiwari and his relatives, is interested in the resolution.

By Order of the Board of Directors

Place: New Delhi
Dated: 01.09.2015

sd/-
(V.K. Jain)
Company Secretary
ACS 11270

To

- (i) All Members of India Tourism Development Corporation Ltd.
- (ii) M/s V. K. Verma & Company, Chartered Accountants, C-37, Connaught Place, New Delhi - 110 001
- (iii) M/s P.C. Jain & Company, Company Secretaries, # 2382, Sector-16, Faridabad-121 002.
- (iv) M/s Jalaj Srivastava & Associates, Company Secretaries, MZ-31, Ansal Fortune Arcade, K Block, Sector 18, Noida- 201 301
- (v) All the Directors on the Board of India Tourism Development Corporation Ltd.
- (vi) All Stock Exchanges

Details as required under Clause 49 of the Listing Agreement in respect of Directors to be appointed and Directors liable to retire by rotation and seeking re-appointment

Shri Umang Narula : Shri Umang Narula is an IAS officer of 1989 batch, Jammu and Kashmir cadre. Prior to the position of C&MD-ITDC, he was the Chief Electoral Officer (CEO) of Jammu & Kashmir. He was also the Deputy Secretary in the Department of Culture under the Union Ministry of Tourism and Culture in 1998-2002. He also worked as a Director in the Ministry of Home Affairs (MHA). In Jammu & Kashmir, he was Deputy Commissioner in Kargil and later shifted to Anantnag district. The other departments he served in the State includes Industry & Commerce, Rural Development and Election Department among others. He is also acting as Chairman/Director of 8 Joint Venture Companies of ITDC and he is the Director of Kumarakruppa Frontier Hotels Pvt. Ltd. He does not hold any shares in ITDC.

Shri Piyush Tiwari : Shri Piyush Tiwari holds a Bachelor's Degree in Electrical Engineering & Master's Degree in Sociology. Earlier, he was Regional Manager (North) and Deputy General Manager of Rastriya Ispat Nigam Ltd. , a Navratna PSU under the Ministry of Steel, Govt. of India. In his career spanned over 28 years, Shri Tiwari is credited for administrating major consumption centres of Iron & Steel in India in all four regions (North, East, West & South) in various capacities. Shri Tiwari has extensive experience in steel industry in managing Profit Centre Operations, Marketing and Business Development (B2B and B2C) and formulating strategies for growth with an overall business perspective.

Shri Tiwari is also acting as Director of 8 Joint Venture Companies of ITDC. He does not hold any shares in ITDC.

Shri Girish Shankar : Shri Girish Shankar is currently the Additional Secretary to the Government of India, Ministry of Tourism. Shri Girish Shankar is an IAS of 1982 Batch. Earlier he held important posts of Joint Secretary, Govt. of India, Ministry of Consumer Affairs, Food & Public Distribution and Principal Secretary of various departments including Home, Urban Development, Housing, Cabinet Secretariat, Education, Science and Technology in the State of Bihar.

Earlier Shri Girish Shankar held the additional charge of the Managing Director, ITDC from 23.04.2013 to 11.05.2014 and the additional charge of Chairman & Managing Director, ITDC from 10.12.2014 to 23.04.2015. Presently he is the Govt. Nominee Director in ITDC w.e.f. 24.04.2015. He does not hold any shares in ITDC.

By Order of the Board of Directors

Place: New Delhi
Dated: 01.09.2015

sd/-
(V.K. Jain)
Company Secretary
ACS 11270

Board's Report (2014-15)

Dear Shareholders,

Your Directors have pleasure in presenting the 50th Annual Report together with the audited accounts of the Corporation for the year ended 31st March, 2015.

Your Corporation has achieved a total turnover of ₹ 504.19 crore during the financial year 2014-15 as against ₹ 469.58 crore in the previous year 2013-14 indicating an overall increase by 7.37%. The increase in overall turnover has been achieved in all the commercial divisions except ATT Division. During the financial year 2014-15, the Corporation has recorded a Net Profit (before tax) of ₹ 38.95 crore as against Net Profit (before tax) of ₹ 11.93 crore in previous year 2013-14.

Performance Highlights

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

(₹ in crore)		
Particulars	2014-15	2013-14
Turnover	504.19	469.58
Operating Profit/(Loss)	51.68	21.76
Less: Depreciation	10.26	5.96
Less : Finance Cost	0.20	-

Less: Prior period adjustments & Extra ordinary items	2.27	3.87
Profit/(Loss) before Tax	38.95	11.93
Add: Deferred Tax	4.42	1.00
Less: Provision for Income Tax	9.50	3.50
Less:- Provision for Wealth Tax	0.01	0.01
Add: Provision for Income Tax for earlier years written back	0.51	-
Profit/(Loss) after Tax	34.37	9.42
Amount available for appropriation	34.37	9.42
Proposed Dividend	17.15	4.29
Dividend Tax	3.49	0.73
Equity Capital	85.77	85.77
Capital Employed	279.77	276.23
Rate of Return on Capital :-		
Before Tax	45.41%	13.91%
After Tax	40.07%	10.98%
Rate of Return on Capital Employed:-		
Before Tax	13.92%	4.32%
After Tax	12.29%	3.41%

Operating Ratio

The Operating Ratio has decreased by 5.62% in the current year with the overall operating ratio of 89.75% as against 95.37% in the previous year 2013-14.

Division wise Financial Performance

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

- (i) Hotels Division has achieved turnover of ₹ 283.90 crore during the year as against ₹ 262.88 crore in the previous year indicating increase by 8% and earned the net profit of ₹ 10.81 crore as against the net loss of ₹ 4.58 crore in the previous year.
- (ii) The turnover of Ashok International Trade (AIT) Division has increased to ₹ 10.96 crore from ₹ 9.40 crore in the previous year. The AIT Division has earned Net Profit of ₹ 0.84 crore as compared to net loss of ₹ 1.59 crore.
- (iii) The turnover of Ashok Travels & Tours Division has slightly decreased to ₹ 119.70 crore from ₹ 123.08 crore in the previous year. The ATT Division has earned a Profit of ₹ 0.75 crore as against the net loss of ₹ 1.98 crore in the previous year.
- (iv) The turnover of Ashok Tourist Service Station has decreased to ₹ 11.73 crore from ₹ 12.96 crore in the previous year. The ATSS has suffered a net loss of ₹ 0.31 crore as against the net loss of ₹ 0.28 crore in the previous year. The unit had been constantly making losses in the past. Pursuant to decision of the ITDC Board in the meeting held on 20th October, 2014 the ATSS has been closed w.e.f 17-02-2015.

- (v) The turnover of the Ashok Creatives Division (including SEL Red Fort) has been recorded at ₹ 12.34 crore (previous year ₹ 7.89 crore) and has suffered a loss of ₹ 0.43 crore as against net loss of ₹ 1.57 crore.
- (vi) The Engineering Division has achieved a turnover of ₹ 8.09 crore during the year 2014-15 (previous year ₹ 6.91 crore) with net loss of ₹ 5.34 crore as against net loss of ₹ 6.84 crore in the last financial year.
- (vii) The turnover of Ashok Events Division has increased to ₹ 11.51 crore (previous year ₹ 10.99 crore) with net profit of ₹ 2.11 crore as against profit of ₹ 0.66 crore in the previous year.
- (viii) The Ashok Institute of Hospitality and Tourism Management (AIH&TM) has achieved turnover of ₹ 18.23 crore as against ₹ 8.71 crore in the previous year with net profit of ₹ 2.79 crore (previous year net profit of ₹ 1.35 crore).
- (ix) The Corporate Head Quarter being the administrative office has earned an income of ₹ 27.72 crore (previous year ₹ 26.76 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 share capital of the Corporation. The Authorized

Share Capital of the Corporation is ₹ 150 crore and the paid-up Share Capital is ₹ 85.77 crore as on 31st March, 2015.

Dividend

The Board of Directors recommended a dividend of 20% for the financial year 2014-15 on the equity share capital of the company.

Transfer to Reserve

An amount of ₹ 14 crore has been transferred to the General Reserves.

Rating of ITDC vis-à-vis MoU targets

Performance of the Company for the year 2013-14 has been notified as 'Good' with Composite Score 3.466 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**.

Plan Schemes

The Revised Capital Budget Estimates towards capital expenditure for 2014-15 was ₹ 26.15 crore which included ₹ 23.83 crore for renovation/improvement on existing hotels, catering units and other divisions. The capital expenditure during 2014-15 was ₹ 11.54 crore out of which ₹ 4.77 crore was capitalized and ₹ 6.77 crore was charged to revenue.

The Plan outlay for the year 2015-16 is ₹ 45.64 crore out of which ₹ 42.47 crore relates to renovation/improvement in existing hotels, catering units, other divisions.

Procurement from MSME

During the financial year 2014-15, total procurement from MSME was ₹ 23 lakh approx.

Implementation of Official Language Policy

During the year 2014-15, 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 employees 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 Manch and Hindi Prize Distribution Event were also organized to encourage official language in the Corporation.

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 Rule 8(3)(B) of the Companies (Accounts)

Rules 2014 regarding technology absorption, are not applicable.

Foreign Exchange Earnings & Outgo

The Direct Foreign Exchange Earnings during the year 2014-15 has decreased to ₹ 12.99 crore as against ₹ 15.87 crore in the previous year.

Subsidiary Companies

The Corporation has seven subsidiary companies viz. (i) Donyi Polo Ashok Hotel Corporation Ltd (ii) Assam Ashok Hotel Corporation Ltd (iii) MP Ashok Hotel Corporation Ltd (iv) Pondicherry Ashok Hotel Corporation Ltd (v) Ranchi Ashok Bihar Hotel Corporation Ltd (vi) Utkal Ashok Hotel Corporation Ltd, (vii) Punjab Ashok Hotel Company Ltd. The Hotel Units 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. Besides, the Corporation has one Associate Company i.e. ITDC Aldeasa India Private Limited.

The Annual Accounts of all the subsidiary companies have been audited and finalized and the Consolidated Annual Accounts have been prepared and presented in this Annual Report. A statement containing the salient features of the subsidiaries in the prescribed format AOC-1 forms part of the Consolidated Annual Accounts 2014-15.

Vigil Mechanism and Whistle Blower Policy

The Corporation has a Whistle Blower Policy which is posted on the website <http://www.theashokgroup.com/Aboutus/rti>. Being a Central Public Sector Enterprise, the Corporation has a Vigilance Department. Chief Vigilance Officer, the Head of the Vigilance Division, is under the direct control of the Central Vigilance Commission (CVC), an independent Govt. Agency.

Board of Directors

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

During the year under review, Dr. Sameer Sharma (from 12.05.2014 to 09.12.2014) was appointed as Managing Director. Shri Girish Shankar, Govt. Nominee Director & Additional Secretary (Tourism) was given the additional charge of the Managing Director from 23.04.2013 to 11.05.2014 and the charge of the Chairman & Managing Director from 10.12.2014 to 23.04.2015.

During the year under review, Dr. Sameer Sharma and Cmde (Retd.) R. K. Okhandiar ceased to be on the Board of Directors. Sh. Trinath Behera, Director (Finance) and Chief Financial Officer tendered three months notice of Resignation on 30th March, 2015. His resignation was accepted by the President of India, Ministry of Tourism vide letter dated 30th June, 2015 and accordingly he was relieved from the services of ITDC on 30th June, 2015. The Board appreciated the valuable services

rendered by them during their tenure. The present composition of the Board is as under:

- i) Shri Umang Narula, Chairman & Managing Director w.e.f. 24.04.2015
- ii) Shri Piyush Tiwari, Director (C&M) w.e.f. 28.05.2015
- iii) Dr. (Ms.) T. Kumar, Govt. Nominee Director w.e.f. 04.09.2013
- iv) Shri Girish Shankar, Govt. Nominee Director w.e.f. 24.04.2015
- v) Shri Anugolu Venkata Ratnam, Independent Director w.e.f. 07.10.2013
- vi) Dr. Usha Kiran Rai, Independent Director w.e.f. 10.12.2013

Pursuant to Article 61 of the Article of Association, Shri Girish Shankar, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Details of profile etc. as required under Clause 49 of the Listing Agreement in respect of Director liable to retire by rotation and seeking re-appointment and the Directors to be regularized in the ensuing AGM, has been given along with the Notice of AGM.

Training Policy and the training imparted to the directors

The Corporation has formulated a training policy for Board Members. As per the policy, ITDC offers training programmes organized by SCOPE

and DPE to the Board Members. Further, on induction of non-official Directors, ITDC may also arrange training on the role and responsibilities of Directors from the professional institutes like ICAI, ICSI, ICMA, IIM etc.

During the financial year 2014-15, Non-official Directors attended a half-day workshop for Capacity Building of non-official directors of CPSEs with the Institute of Chartered Accountants of India (ICAI) as the knowledge partner organized by the Department of Public Enterprises (DPE).

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Board Evaluation

The evaluation of the Board as a whole and the Independent Directors was conducted on the basis of criteria and framework laid down by the Nomination & Remuneration Committee of the Board. Based on the evaluation criteria laid down by the Committee, the performance evaluation of the Board was measured in six areas. The performance evaluation of the Independent Directors was measured also in six areas based on questionnaire designed on a scale of 1 to 5. Independent Directors evaluated the

performance of the non-independent directors in a separate meeting of the Independent Directors.

None of the independent directors are due for re-appointment.

Particulars of loans, guarantee or investments

During the year under review, ITDC has given a loan of ₹ 7,32,320/- at a rate of interest of 12.5% per annum to M/s Utkal Ashok Corporation Ltd., a joint venture subsidiary of ITDC for meeting out statutory obligations and day-to-day expenditures.

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(ix)]; and
- (ii) Certificate from the Company's Auditors [as per Clause 49 (xi)] along with the management reply to observations.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed :-

- That in the preparation of the accounts

for the financial year ended 31st March, 2015, 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, 2013 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, 2015 on a 'going concern' basis;
- That the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Corporation has adequate internal control system commensurate to its nature of business. Board has laid down adequate policies and procedures such as Licensing Procedure, Purchase Procedures, Engineering & Works Manual, Delegation of Powers etc. for ensuring the orderly and efficient conduct of business.

Professional services of Chartered Accountant Firms are availed to conduct Internal Audit of all units/verticals of ITDC. A detailed Internal Audit manual duly approved by the Board of Directors has been circulated to all the units.

Internal Auditors monitor and evaluate the efficacy and adequacy of the internal checks & control systems. Quarterly Internal Audit Reports are submitted by Internal Auditors. Corrective actions, wherever required, are taken by the units/verticals. Significant observations, if any, are reported to the Audit Committee.

Related Party Transactions

There are no materially significant related party transactions reportable under Section 188 of the Companies Act, 2013. The Audit Committee and the Board has approved a policy on materiality of the related party transactions which is posted on the website of the company <http://www.theashokgroup.com/Aboutus/Investorcorner>.

Report under Section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

There are no cases to be reported under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Corporate Social Responsibility and Sustainable Development

The CSR activity undertaken during the financial year 2014-15 was "Clean India", a pilot project at Qutab Minar under the patronage of the Ministry of Tourism and the construction of Toilet Blocks in the remote village area of Jharkhand State.

Under "Clean India", ITDC has been entrusted with cleanliness and maintenance of Qutab Minar.

ITDC constructed three toilets as under:

1. Balika Vidyalaya, Sindori Village, Daltanganj, Jharkhand
2. Balika Vidyalaya, Pubiidia Village, Jharkhand
3. Balika Vidyalaya, Kuchchu Village, Hundru, Angara Block, Jharkhand

The construction of the above said toilet blocks was in progress as on 31.03.2015.

The Annual Report on CSR Activities and the Report on the Sustainable Development Activities are annexed as **Annexure III Section A and Section B respectively.**

Risk Management Policy and its implementation

ITDC Board in its meeting held on 11th May, 2010 has laid down the Risk Management Policy laying down a sound process for identification and mitigation of risks. In accordance with the policy, the unit head of all strategic divisions have been nominated as Risk Manager and a committee namely Risk Management Compliance Committee (RMCC) presently headed by Director (C&M) has been constituted to oversee and ensure compliances with the Risk Management Policy of the Corporation.

Company's specific risks as per the reports submitted by different units/divisions of ITDC are as under :

Economic Risk : Dependence on one client

Industrial Risk : Threat to market share

Personnel Risk : Non-availability of adequate skill sets

Political Risk : Threat to property safety

Legal Risk : Contractual Risk & tax risk

Auditors and Auditor's 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 2014-15 under Section 619(2) of the Companies Act, 1956/134(5) of the Companies Act, 2013. The Management's replies to the comments and observations of the Statutory Auditors on the accounts (Standalone and the Consolidated) for the year 2014-15 are given in **Annexures- IV,V & VI.**

Secretarial Auditor and Secretarial Audit Report

ITDC Board in its meeting held on 20th October, 2014 has appointed M/s P.C. Jain & Co., Company Secretaries as the Secretarial Auditors for conducting the Secretarial Audit as required under Section 204 of the Companies Act, 2013. The Secretarial Audit Report is placed at **Annexure-VII** and Management replies to the comments and observation of the Secretarial Auditors on the Secretarial Audit Report for the year 2014-15 are given at **Annexure-VIII.**

Extract of Annual Return

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure-IX** to the Board's Report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

Comments of the Comptroller and Auditor General of India

The comments of the Comptroller & Auditor General of India, under Section 134(6) of the Companies Act, 2013 on the Accounts of the Company for the financial year ended 31st March, 2015 are set out elsewhere in the Annual Report.

Material changes and commitments affecting the financial position of the Company between the end of the Financial year and the date of the Report

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the 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

sd/-

(Umang Narula)

Chairman & Managing Director

Date: 14.08.2015

Place: New Delhi