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## Board of Directors

(As on 12th August, 2016)

### Chairman & Managing Director

Shri Umang Narula

### Functional Directors

Shri Piyush Tiwari

Director (Commercial & Marketing)

Shri Pradip Kumar Das, Director (Finance)

### Government Nominee Directors

Shri Sanjeev Ranjan

Ms. Meenakshi Sharma

### Independent Directors

Shri Anugolu Venkata Ratnam

Dr. (Ms.) Usha Kiran Rai

Shri Ajay Swarup

Shri Patel Karsanbhai Bhikhabhai

### Company Secretary

Shri V.K. Jain

### Registered Office

Scope Complex

Core 8, 6th Floor

7 Lodi Road

New Delhi-110003

### Statutory Auditors

M/s Kishore & Kishore

Chartered Accountants

Flat No.9, 1st Floor

Ansari Market, Darya Ganj

New Delhi- 110 002

### Branch Auditors

M/s Deoki Bijay & Co.

M/s K.G. Acharya & Co.

M/s V.J. Choksi & Co.

M/s G.S. & Associates

M/s A Mitra & Associates

M/s Santosh K Agrawalla & Associates

M/s Vinod Kumar Gupta & Associates

M/s Vinod Singhal & Co.

M/s B. N. Ashok Kumar & Co.

M/s Guru & Ram

M/s P V A R & 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

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 51st Annual General Meeting of India Tourism Development Corporation Ltd. will be held on Thursday, the 29th September, 2016 at 1600 hours in Samrat Hotel, New Delhi 110021 to transact the following businesses:-

### Ordinary Business

- (1) To receive, consider and adopt the Standalone Financial Statements as at 31st March, 2016 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, 2016 and report of Auditors and Comptroller and Auditor General of India thereon.
- (3) To declare a dividend of 15% (i.e. ₹ 1.50 per share) aggregating ₹ 12,86,54,100/- on the equity share capital of the company as recommended by the Board of Directors.
- (4) To appoint a Director in place of Shri Piyush Tiwari (DIN No. 07194427), Director who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers himself for re-appointment.
- (5) To appoint a Director in place of Shri Sanjeev Ranjan (DIN No. 02977371), Director who retires by rotation pursuant to Article 61 of the Article of Association and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the Sub-section (2) of Section IV of Schedule IV to the Companies Act, 2013 read with Section 149(7) of the Companies Act, 2013, approval be and is hereby

accorded to the appointment of Shri Ajay Swarup, Ex Indian Foreign Service Officer as Independent Director in the Company w.e.f. 08/08/2016.”

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

“RESOLVED THAT pursuant to the Sub-section (2) of Section IV of Schedule IV to the Companies Act, 2013 read with Section 149(7) of the Companies Act, 2013, approval be and is hereby accorded to the appointment of Shri Karsanbhai Bhikhabhai Patel, Agriculturist, Business & Social Worker as Independent Director in the Company w.e.f. 08/08/2016.”

By Order of the Board of Directors

Place: New Delhi  
Dated: 01.09.2016

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

#### Notes:

1. Additional information in respect of the Directors seeking re-appointment at the AGM and in respect of directors for whose appointment, approval of shareholders is being sought, is furnished and forms part of the Notice.
2. 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.
3. The Members/Proxies should bring the Attendance Slip, duly filled in and signed, for attending the Meeting.
4. In compliance with provisions of Regulation 44 of SEBI (LODR) Regulations, 2015 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. 23rd September, 2016 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. 23rd September, 2016 will also be entitled to cast his vote and may obtain the User ID and password. The manner of obtaining User ID and Password is available on <http://www.theashokgroup.com/Aboutus/InvestorCorner> under newspaper notice.

5. 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.
6. 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 26th September, 2016 to Thursday, the 29th September, 2016 (both days inclusive) for the purpose of AGM and Dividend payment. The Record date for Dividend payment will be 25th September, 2016.
8. 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 25th September, 2016.
9. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the RTA along with relevant share certificate.
10. Unclaimed dividend for the financial year 2008-09 will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) on 07.02.2017 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 2008-09 and upto and including the financial year 2014-15 are available on the Company's website i.e. [www.theashokgroup.com](http://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.

11. 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.
12. 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.
13. Electronic copy of the Annual Report for 2015-16 along with instructions for e-voting and Attendance Slip are being sent to all the members whose email- 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 email addresses, physical copies of the Annual Report for 2015-16 are being sent in the permitted mode. Members can also see these documents at the Company's website [www.theashokgroup.com](http://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.
14. 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.
15. 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 all business 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.
16. 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.

To

- (i) All Members of India Tourism Development Corporation Ltd.
- (ii) M/s Kishore & Kishore Chartered Accountants, Flat No. 9, 1st Floor, Opp. Ram Mandir, Ansari Market, Darya Ganj, New Delhi - 110 002
- (iii) M/s Chandradip Bharti & Associates, Company Secretaries, Office No. 204, 2nd Floor, B-1267, R.S. Tower, Opposite Metro Pillar No. 156, New Ashok Nagar, New Delhi- 110 096.
- (iv) M/s Jalaj Srivastava & Associates, Company Secretaries, C/o Gem Business, 104, First Floor, 86, Nehru Place, Kalkaji, New Delhi - 110 019
- (v) All the Directors on the Board of India Tourism Development Corporation Ltd.
- (vi) All Stock Exchanges

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

Item No. (6) and (7)

Pursuant to the power to appoint Directors under Clause 61 of the Articles of Association, the President of India through the Ministry of Tourism vide its letters No. 1/2/2015-PSU(T)(i) and No. 1/2/2015-PSU(T)(ii) dated 08.08.2016 has appointed Sh. Ajay Swarup (DIN No. 06739593), Ex-Indian Foreign Service Officer and Sh. Patel Karsanbhai Bhikhabhai (DIN No. 00287492), Agriculturist, Business & Social Worker as Independent Directors.

Brief Resume of the above said Directors including their expertise, shareholding, directorship in other companies etc. pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 have been given at the end of this Notice.

Section IV of Schedule IV to the Companies Act, 2013 read with Section 149(7) of the Act specifies the manner of appointment of Independent Directors. Sub-Section (2) of this Section (i.e. Section IV to Schedule IV) requires that the appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

ITDC Board in its 321st Meeting held on 12th August, 2016 has appointed the above said directors under Section 161(3) of the Companies Act, 2013 subject to the approval of the shareholders in the General Meeting of the Company.

Accordingly approval of the shareholders is sought to the appointment of Shri Ajay Swarup and Shri Patel Karsanbhai Bhikhabhai as Independent Directors in the Company.

None of the Directors, Key Managerial Personnel and their relatives except Shri Ajay Swarup himself and his relatives (with respect to his appointment) and Shri Karsanbhai Bhikhabhai Patel and his relatives (with respect to his appointment) is interested in the resolution.



## Details as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 in respect of Directors for whose appointment, approval is being sought and Directors liable to retire by rotation and seeking re-appointment

**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 4 Joint Venture Companies of ITDC. He does not hold any shares in ITDC.

**Shri Sanjeev Ranjan :** Shri Sanjeev Ranjan is an IAS officer of 1985 batch and is M.Phil (Eco Planning) M.B.A.(Business Admn.), B.Tech. IIT Kanpur. Presently Sh. Ranjan is posted as Additional Secretary and Financial Advisor, Ministry of Tourism, Ministry of Shipping, Ministry of Road Transport and Highways, Government of India and a Government nominated director on the Board of ITDC. Previously, Shri Ranjan was Joint Secretary in Ministry of Defence. He is also on the Board of Shipping Corporation of India Limited. He has also served for Environment & Forests, Environment & Pollution Control, Finance Economic Affairs, Agriculture, Energy Power etc.

**Shri Ajay Swarup :** Shri Ajay Swarup is an Ex-Indian Foreign Service Officer. He had worked in the Ministry of External Affairs. He had worked at different positions in Indian Foreign Services like Ambassador in the Embassy of Indian- Belgrade, Consul General in Consulate General of India- Durban, Counsellor/Minister (Congressional Liaison) in Embassy of India-Washington, First Secy./Counsellor (Commercial & Economic), Charge d' Affaires in Embassy of India- Minsk, First Secretary (Economic) in Embassy of India-Moscow, Second Secretary (Economic and Commercial) in Embassy of India- The Hague, Regional Passport Officer, Regional Passport Office, Lucknow.

**Shri Karsanbhai Bhikhabhai Patel :** Shri Karsanbhai Bhikhabhai Patel is an Agriculturist, Business and Social Worker. He is an Ex-MLA from Gandevi Assembly Constituency.

By Order of the Board of Directors

Place: New Delhi  
Dated: 01.09.2016

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

## Board's Report (2015-16)

Dear Shareholders,

Your Directors have pleasure in presenting the 51st Annual Report together with the audited accounts of the Corporation for the year ended 31st March, 2016.

Your Corporation has achieved a total turnover of ₹ 465.69 crore during the financial year 2015-16 as against ₹ 504.19 crore in the previous year 2014-15. During the financial year 2015-16, the Corporation has recorded a Net Profit (before tax) of ₹ 32.42 crore as against Net Profit (before tax) of ₹ 38.95 crore in previous year 2014-15.

### Performance Highlights

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

	(₹ in crore)	
Particulars	2015-16	2014-15
Turnover	465.69	504.19
Operating Profit/(Loss)	42.51	51.68
Less: Depreciation	8.03	10.26
Less: Prior period adjustments & Extra ordinary items and Finance Cost	2.06	2.47

Profit/(Loss) before Tax	32.42	38.95
Add: Deferred Tax	2.43	4.42
Less: Provision for Income Tax	12.30	9.50
Less:- Provision for Wealth Tax	-	0.01
Add: Provision for Income Tax for earlier years written back	-	0.51
Profit/(Loss) after Tax	22.55	34.37
Amount available for appropriation	22.55	34.37
Proposed Dividend	12.87	17.15
Dividend Tax	2.62	3.49
Equity Capital	85.77	85.77
Capital Employed	282.94	279.77
Rate of Return on Capital:		
Before Tax	37.80%	45.41%
After Tax	26.29%	40.07%
Rate of Return on Capital Employed:		
Before Tax	11.46%	13.92%
After Tax	7.97%	12.29%

### Operating Ratio

The Operating Ratio has marginally increased by 1.12% in the current year with the overall operating ratio of 90.87% as against 89.75% in the previous year 2014-15.

## Division wise Financial Performance

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

- (i) Hotels Division achieved a turnover of ₹ 277.55 crore during the year 2015-16 as against ₹ 283.90 crore in the previous year 2014-15 and earned the net profit of ₹ 38.90 crore as against the net profit of ₹ 10.81 crore in the previous year.
- (ii) The turnover of Ashok International Trade (AIT) Division increased to ₹ 16.23 crore from ₹ 10.96 crore in the previous year. The AIT Division earned Net Profit of ₹ 2.37 crore as compared to net profit of ₹ 0.84 crore.
- (iii) The turnover of Ashok Travels & Tours Division is ₹ 104.37 crore in the year 2015-16 against ₹ 119.69 crore in the previous year 2014-15. The ATT Division incurred a loss of ₹ 10.37 crore as against net profit of ₹ 0.75 crore in the previous year 2014-15. The loss is due to providing a provision of ₹ 13.14 crore in the 'L' Block property case in which ITDC deposited a sum of ₹ 13.14 crore with the Registry of Delhi High Court for filing an appeal before the Division Bench of the High Court.
- (iv) The turnover of the Ashok Events Division including Ashok Creatives has been recorded at ₹ 23.66 crore during 2015-16 as against ₹ 12.33 crore in the previous year 2014-15. The Division earned a profit

of ₹ 4.01 crore during 2015-16 as against net profit of ₹ 2.11 crore during 2014-15.

- (v) The Engineering Division including SEL Projects has achieved a turnover of ₹ 15.31 crore during the year 2015-16 as against ₹ 8.09 crore in the previous year 2014-15 with net loss of ₹ 2.84 crore during 2015-16 as against net loss of ₹ 5.34 crore in previous year 2014-15.
- (vi) The Ashok Institute of Hospitality and Tourism Management (AIH&TM) achieved turnover of ₹ 3.28 crore during 2015-16 as against ₹ 18.23 crore in the previous year 2014-15 with net loss of ₹ 1.54 crore during 2015-16 as against a net profit of ₹ 2.79 crore during 2014-15.
- (vii) The Corporate HQ being the administrative office earned an income of ₹ 25.30 crore (previous year ₹ 27.72 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, 2016.

## Dividend

The Board of Directors recommended a dividend of 15% for the financial year 2015-16 on the equity share capital of the company.

## Transfer to Reserve

An amount of ₹ 7 crore has been transferred to the General Reserves.

## Rating of ITDC vis-à-vis MoU targets

Performance of the Company for the year 2014-15 has been notified as 'Good' with Composite Score 2.87 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 2015-16 was ₹ 38.57 crore which included ₹ 36.67 crore for renovation/improvement on existing hotels and catering units. The capital expenditure during 2015-16 was ₹ 13.82 crore out of which ₹ 6.88 crore was capitalized and ₹ 6.94 crore was charged to revenue.

The Planned Capital outlay for the year 2016-17 is ₹ 57.05 crore out of which ₹ 54.58 crore relates to renovation/improvement in existing hotels and catering units.

## Procurement from MSME

The Corporation has complied with guidelines issued by DPE in this regard.

## Implementation of Official Language Policy

During the year 2015-16, 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 2015-16 has increased to ₹ 17.95 crore from ₹ 12.99 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 Limited. (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 2015-16.

## 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, six Board meetings held to transact the business of the Company.

During the year under review, following directors were appointed :

- Shri Umang Narula appointed as Chairman & the Managing Director w.e.f. 24.04.2015
- Shri Piyush Tiwari, Director (C&M) w.e.f. 28.05.2015
- Shri Pradip Kumar Das, Director (Finance) w.e.f. 25.02.2016
- Shri Sanjeev Ranjan w.e.f. 01.10.2015
- Shri Suman Billa w.e.f. 01.10.2015

During the year under review, following directors ceased to be on the Board :

- Shri Girish Shankar, Director w.e.f 01.10.2015
- Shri Trinath Behera, Director(Finance) w.e.f 01.07.2015
- Dr. (Ms.) T. Kumar, Director w.e.f 01.10.2015

The Board appreciated the valuable services rendered by them during their tenure.

The present composition of the Board is as under:

- Shri Umang Narula, Chairman & the Managing Director w.e.f. 24.04.2015
- Shri Piyush Tiwari, Director (C&M) w.e.f. 28.05.2015
- Shri Pradip Kumar Das, Director (Finance) w.e.f. 25.02.2016
- Shri Sanjeev Ranjan w.e.f 01.10.2015
- Ms. Meenakshi Sharma w.e.f 11.07.2016
- Shri Anugolu Venkata Ratnam w.e.f 07.10.2013
- Dr. Usha Kiran Rai w.e.f 10.12.2013
- Shri Ajay Swarup w.e.f. 08.08.2016
- Shri Patel Karsanbhai Bhikhabhai w.e.f. 08.08.2016

Pursuant to Article 61 of the Article of Association, Shri Piyush Tiwari and Shri Sanjeev Ranjan retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Details of profile etc. as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 in respect of Director liable to retire by rotation and seeking

re-appointment and Directors for whose appointment, approval of shareholders is being sought in the ensuing AGM have been given at the end of 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 2015-16, Non-official Directors did not participate in any training programme through ITDC.

## 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/Listing Regulations.

## Board Evaluation

The evaluation of the Board as a whole and the Independent Directors is 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 is measured in six areas. The performance evaluation of the Independent Directors is measured also in six areas based on questionnaire designed on a scale of 1 to 5. Independent Directors evaluate performance of the non-independent directors in a separate meeting of the Independent Directors.

None of the independent directors are due for re-appointment in the ensuing Annual General Meeting.

#### Particulars of loans, guarantee or investments

During the year under review, ITDC released loan of total ₹ 3,52,50,000/- at a rate of interest of 12.5% per annum to M/s Utkal Ashok Hotel Corporation Ltd., a joint venture subsidiary of ITDC for meeting out VRS liability of employees, payment of outstanding salaries of staff, statutory obligations and day-to-day expenditures.

#### Corporate Governance

As per the requirement of Clause C of Schedule V to SEBI (LODR) Regulations, 2015, 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 Regulation 17(8) of SEBI (LODR) Regulations, 2015 ]; and

- (ii) Certificate from the Company's Auditors as Corporate Governance [Clause E to Schedule V to SEBI (LODR) Regulations, 2015] 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, 2016, 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, 2016 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 an 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

During 2015-16, one case was filed against an employee in 'The Ashok' before the Internal Complaint Committee. The Internal Complaint Committee investigated the case and has submitted its report in the matter to the Delhi Women Commission. The case has been closed.

#### Corporate Social Responsibility and Sustainable Development

The CSR activities undertaken during the financial year 2015-16 were "Swachh Bharat" and the construction of Toilet Blocks in the backward area in Churu (Rajasthan).

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



## 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 during 2015-16 are as under :

- |                  |  |
|------------------|--|
| Economic Risk    | : More Dependence on one segment of clients i.e. Government                        |
| Industrial Risk  | : Threat to market share due to new players with wider facilities.                 |
| Personnel Risk   | : Non-availability of adequate skill sets and depleting manpower in Key positions. |
| Legal Risk       | : Contractual risk & tax risk  |
| Operational Risk | : Ageing properties of Hotels  |

## Auditors and Auditor's Report

The Comptroller & Auditor General of India have appointed M/s Kishore & Kishore, Chartered Accountants as Statutory Auditors of the Company and also various Branch Auditors for the year 2015-16 under Section 619(2) of the Companies Act, 1956/143(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 2015-16 are given in **Annexures- IV & V.**

## Secretarial Auditor and Secretarial Audit Report

ITDC Board in its meeting held on 27th January, 2016 has appointed M/s Chandradip Bharti & Associates, 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-VI** and Management replies to the comments and observation of the Secretarial Auditors on the Secretarial Audit Report for the year 2015-16 are given at **Annexure-VII.**

## 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 - VIII** 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 143(6) of the Companies Act, 2013 on the Accounts of the Company for the financial year ended 31st March, 2016 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.

Date: 12.08.2016  
Place: New Delhi

## 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

## Management Discussion and Analysis Report

### Global and Indian Scenario

World GDP is estimated to have grown at 2.4% in 2015 as compared to 3.3% in the previous year and further strengthen over the next two years to 2.9% in 2016 and 3.2% in 2017.

Indian Economy grew 7.2% during 2014-15 and is estimated to grow at 7.6% in 2015-16 as per Economic Survey 2015-16 witnessing as the best performing economies of the world.

The Indian Travel & Tourism Industry is a significant source of foreign exchange, a major employment generator, and an integral part of the India growth story. The number of Foreign Tourist Arrivals (FTAs) recorded during 2015 was 80.27 lakh with a growth of 4.5% as compared to the FTAs of 76.79 lakh during 2014 with a growth of 10.2%, as compared to the FTAs of 69.67 lakh in 2013. The initiatives of the Government like 'Make in India', 'Swachh Bharat Mission' and 'Smart Cities' etc. and with the introduction of new Tourism Policy & the Civil Aviation Policy, Travel & Tourism is expected to play a crucial role in the economic growth of the country.

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

### Annexure-I

pioneering role in the development of tourism infrastructure in the country.

ITDC has been awarded with the 7th Dalal Street Journal's Best PSU Award for 2015 under 'Fastest Growing Miniratna' title. The award was presented by Hon'ble Dr. Mahesh Sharma, Minister of State for Tourism & Culture (IC) and Minister of State for Civil Aviation. Besides Director (C&M) has been awarded the Best Professional in Business Development Tourism by Pacific Asia Travel Writers Association (PATWA) and GM (Corp. Mktg. & Sales) awarded as Best Marketing Professional.

ITDC entered into the Golden Jubilee Year. As a prelude to this on 1st October, 2015 an event was organized at 'The Ashok' wherein a pledge was taken by the employees of ITDC.

### Segment wise Performance including Financial Performance with respect to Operational Performance

#### A. Hotels Division

Certain areas of The Ashok, New Delhi have been renovated, including guest corridors of 6th floor, D-wing corridors of 5th floor, washrooms of Oudh Restaurant etc. for an improved guest experience.

The team of 'The Ashok', New Delhi contributed to the culinary success of the various conferences, events and functions at the hotel by dignitaries like Hon'ble Prime Minister of India for Head of States at India Africa Forum Summit, by Hon'ble Speaker Lok Sabha, by Directorate of Film Festival and many others. The hotel has also taken pride and been a host

to many important conferences/events like 4th Indo-Africa Hydrocarbon Conference, Launch of "Atithi Devo Bhava" Television Commercial & "India land of Yoga", high profile weddings, Corporate & Government events and Lifestyle Exhibitions etc.

**Hotel Samrat, New Delhi** was host to the many important groups like Research & Information System for Developing Countries, Sardar Vallabhai Patel National Police Academy, National Centre for Good Governance, Ministry of Environment & Forest, Ministry of Textile, National Institute of Social Defence, National Museum Institute, Indira Gandhi National Forest Academy, Indian Council of Historical Research, Beti Bachao Beti Padoo Andolan- Min. of Women & Child Development, UPSC, SAARC Delegates, Election Commission of India, Lok Sabha Secretariat, Rajya Sabha Secretariat, MMTC, Indian Navy etc. The unit has also been associated with many organisations like Coal India, ECGC, NSE Ltd., SAIL, NCERT, CBGA, Air India and others for being their choice of venue for holding their conferences.

The packed thali of Hotel Janpath became very popular amongst guests, the hotel successfully delivered 3000 thalis on a single day for Civil Day Celebrations.

**Hotel Patliputra Ashok, Patna** made successful event and conferences in various market segments NGOs, Pharma, PSUs, Institutions, Aviation, Corporate Houses, Exhibitions, Hospitals etc. The unit also did an

outdoor catering for Hon'ble Prime Minister of India during his visit to Patna.

**Hotel Kalinga Ashok, Bhubaneswar** organised various conferences of Ministry of Tourism, Directorate of Economics & Statistics, National Health Mission. The unit also held various functions of State Urban Development Authority, Women & Child Welfare, Office of the Commissioner for persons with Disabilities, State Bank of India, UCO bank, SCST RTI etc.

**Hotel Jammu Ashok, Jammu** has successfully completed ISO certifications. The hotel remained host to some high valued conferences of Maruti Suzuki, Tractors India Ltd., Ministry of Khadi Gram Udyog etc.

**Lalitha Mahal Palace Hotel, Mysore** hosted the Hon'ble Prime Minister of India during his stay. The unit also did an out-door catering for him and his entourage during 103rd Indian Science Congress at Mysore. LMPH hosted many residential conferences for Kendriya Vidyalaya Principals, SBI Life, Conva Tec India, etc. Exclusive Dinner and FAM tour was also organised for the Chairman of Pacific Asia Travel Association and team in the month of Sept. 2015. Independence Day and Republic day Theme lunches were organised by the hotel. The unit also celebrated the festival of Dussehra with a weeklong event.

Hotels of the Ashok Group have exhibited their gastronomy skills by organizing food festivals.