

भारत पर्यटन विकास निगम लि.
India Tourism Development Corporation Ltd.



(भारत सरकार का उपक्रम)

(A Government of India Undertaking)

CIN : L74899DL1965GOI004363

Website : www.itdc.co.in

तारीख 14.06.2022
Date

निर्देश
Reference

SEC: COORD: 134

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

This is with reference to earlier announcement subjected with "Outcome of Board Meeting and Submission of Audited Standalone & Consolidated Financial Results for the quarter and Year ended March 31, 2022" dated on 14th June, 2022.

We are enclosing herewith statements of impact of Auditors qualification for the financial year ended March 31, 2022.

Thanking you,

For India Tourism Development Corporation Ltd.


V.K. Jain
Company Secretary

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

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 | | | | |
|--|---|--|---|---|
| [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | | |
| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) (₹ in lakh) | Adjusted Figures (audited figures after adjusting for qualifications) (₹ in lakh) |
| | 1. | Turnover / Total income | 28,481.46 | 29,774.05 |
| | 2. | Total Expenditure | 29,393.04 | 22,468.15 |
| | 3. | Net Profit/(Loss) | 511.18 | 1,803.77 |
| | 4. | Earnings Per Share | 0.60 | 2.10 |
| | 5. | Total Assets | 60,050.59 | 61,343.18 |
| | 6. | Total Liabilities | 28,100.98 | 26,031.08 |
| | 7. | Net Worth | 31,949.61 | 33,242.20 |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | - | - |
| II. | Audit Qualification (each audit qualification separately): | | | |
| | a. | Details of Audit Qualification: As per Annexure-A | | |
| | b. | Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified | | |
| | c. | Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: Annexure - A | | |
| | d. | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Annexure - A | | |
| | e. | For Audit Qualification(s) where the impact is not quantified by the auditor: | | |
| | | (i) Management's estimation on the impact of audit qualification: N.A. | | |
| | | (ii) If management is unable to estimate the impact, reasons for the same: As per Annexure -A | | |
| | | (iii) Auditors' Comments on (i) or (ii) above: Not applicable | | |
| III. | Signatories: | | | |
| | | • CEO/Managing Director | | |
| | | • CFO <i>[Signature]</i> | | |
| | | • Audit Committee Chairman | | |
| | | • Statutory Auditor | | |
| | | Place: New Delhi | | |
| | | Date: 14.06.2022 | | |

एस. डी. पॉल / S. D. PAUL
उपाध्यक्ष (वित्त एवं लेखा) / Vice President (F&A)
भारत पर्यटन विकास निगम लि. / I.T.D.C. Ltd.
स्कोप कॉम्प्लेक्स, कोर-8, छठा तल, 7, लोधी रोड
Scope Complex, Core-8, 7, Lodhi Road
नई दिल्ली / New Delhi-110003

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MANAM KAUSHAL
sd/-
Chairman, Audit Committee

Annexure - A (Standalone)

| Sr. No. | Audit Qualification | Type of Audit Qualification | Frequency of Audit Qualification | Management's view where impact of Audit Qualification is quantified by the Auditors | Impact not quantified by Auditor, Management's estimation on the impact of audit qualification (I) | If Management is unable to estimate the impact, reasons for the same (II) | Auditor's Comment on (I) and (II) |
|---------|---|-----------------------------|----------------------------------|---|--|--|-----------------------------------|
| 1 | <p>MSMED Act Compliances: The Company does not collate maintain and present the proper details of MSME Vendors registered under Micro Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, compliances of procurement; provision for interest, if any, on outstanding dues to MSME units could not be verified. We, therefore are unable to determine the delay in making payment to such entities and liability of interest and compliance on such delayed payments in terms of provisions of MSMED Act.</p> | Qualified Opinion | First Time | Not quantified by Auditor | Not quantified by Management | Quantification of the amount is impracticable at HQ Level. Detailed exercise will have to be conducted at Unit Level for quantification of impact. | N.A |
| 2 | <p>Revenue from License fee The Company has not generated invoices for license fees on licensees of units, viz. Ashok Hotel, Samrat Hotel & Taj Restaurant (units of ITDC) to the tune of Rs. 1292.59 lakhs during the year 2020-21 on account of Covid-19 pandemic, the licensees have disputed the same for which the Board of Directors initially denied for the waiver. Thus, the sale of services from license fee and Trade receivables of the Company continued to be understated to the extent of Rs. 1292.59 lakhs. A committee of Executives was recently formed in the Board Meeting dated 18.05.2022 in the matter and report to the Board of Directors.</p> | Qualified Opinion | First Time | Amount of ₹ 1,292.59 lakhs not booked as Revenue from Operations | N.A. | N.A. | N.A |
| 3 | <p>Ashok Tours and Travels (ATT) Delhi The entity has entered into arrangements for marketing of travel related business with M/S Shree plan your Journey Pvt. Ltd.</p> | Qualified Opinion | First Time | Not quantified by Auditor | Not quantified by Management | Quantification of the amount is impracticable at | N.A. |





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| <p>(GSA). As per terms and conditions, evaluation was to be made on monthly basis of outstanding receivable and to obtain remittance from GSA. No proper evaluation, confirmation or reconciliation or assessment was available. Instead of making recovery from GSA, Rs.300 lakhs were paid by the Company on 27.08.2020 for which neither any justification was given nor was the authority of the same disclosed.</p> <p>During the year 2021-22 and 2022-23 to date, no information/data/facts were stated as audit evidence. Statutory Auditors of the Branch ATT also could not get any audit evidence and qualified the report. It was also pointed out by the Branch Statutory Auditors that various conditions of the Agreement were not complied/enforced like credit limits, monthly evaluation, additional deposit etc., in spite of raising the issue in previous year and in the year under audit. It was also stated even GSA account is not reconciled which is having gap of Rs. 656.79 lakhs as on 31.03.2022. Regarding Performance Linked Bonus (PLB) from Airlines, neither proper records were available nor proper accounting been done for which Management explained to Branch Auditors that the same will be dealt at Head Office, which is not practicable and intends to avoid to bring correct status.</p> <p>The Account and Report of Branch Auditors was available to us on Saturday evening i.e., 11.06.2022 and Audit Committee has to consider to audited Accounts on 14.06.2022 leaving no time to Central Statutory Auditors to review the matter, if at all management inclinds to make available all relevant facts, which is not in the present case. This is not out of place to mention that the issue was prolonged from last two years by the management, which was also brought to knowledge of the Hon'ble Audit Committee of the Company but the things remained unresponded. In view of circumstances stated above, we are unable to comment on the final outcome of non- compliance of</p> | | | | | <p>HQ Level. Detailed exercise will have to be conducted at Unit Level for quantification of impact.</p> | |
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| | terms of Agreement, confirmations, reconciliations and/or assessment of recoverability of outstanding in the accounts pertaining to GSA and consequential impact on the Standalone Financial Statements on this account. | | | | | | |
| 4 | <p>Paintings/ Antiques at Hotel Ashok, New Delhi (unit of ITDC)</p> <p>Some exclusive paintings and antiques are placed at Hotel Ashok, New Delhi (A Unit of ITDC). The source whereof is not identified in absence of any record. The list of Paintings/ Antiques has been identified during FY 2021-21, but the valuation thereof could not take place and hence not been considered in Books of Accounts. Pendency of Valuation, being value thereof not ascertainable and quantifiable, the impact thereof has not been considered in the Standalone Financial Statements.</p> | Qualified Opinion | First Time | Not quantified by Auditor | Not quantified by Management | Quantification of the amount is impracticable without any expert valuation. Company is in process of appointing an expert valuer with the assistance of Ministry of Culture. | N.A. |

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As per attached

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

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 | | | | |
|--|--|---|--|--|
| <i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i> | | | | |
| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) (₹ in lakh) | Adjusted Figures (audited figures after adjusting for qualifications) (₹ in lakh) |
| | 1. | Turnover / Total income | 28,939.90 | 30,232.49 |
| | 2. | Total Expenditure | 29,835.29 | 22,958.74 |
| | 3. | Net Profit/(Loss) | 499.79 | 1,792.38 |
| | 4. | Earnings Per Share | 0.58 | 2.08 |
| | 5. | Total Assets | 58,464.00 | 59,756.59 |
| | 6. | Total Liabilities | 30,818.00 | 30,818.00 |
| | 7. | Net Worth | 27,646.00 | 28,938.59 |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | | |
| II. | Audit Qualification (each audit qualification separately): | | | |
| | a. Details of Audit Qualification: As per Annexure-A | | | |
| | b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified | | | |
| | c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: Annexure - A | | | |
| | d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Annexure - A | | | |
| | e. For Audit Qualification(s) where the impact is not quantified by the auditor: | | | |
| | (i) Management's estimation on the impact of audit qualification: N.A. | | | |
| | (ii) If management is unable to estimate the impact, reasons for the same: As per Annexure -A | | | |
| | (iii) Auditors' Comments on (i) or (ii) above: Not applicable | | | |
| III. | Signatories: | | | |
| | • CEO/Managing Director | | | |
| | • CFO | | | |
| | • Audit Committee Chairman | | | |
| | • Statutory Auditor | | | |
| | Place: New Delhi | | | |
| | Date: 14.06.2022 | | | |

एस. डी. पॉल / S. D. PAUL
उपाध्यक्ष (वित्त एवं लेखा) / Vice President (F&A)
भारत पर्यटन विकास निगम लि. / I.T.D.C. Ltd.
स्कोप कॉम्प्लेक्स, कोर-8, छटा तल, 7, लोधी रोड
Scope Complex, Core-8, 7, Lodhi Road
नई दिल्ली / New Delhi-110003

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MANAN KAUSHAL
sd/-
Chairman Audit
Committee

Annexure - A (Consolidated)

| Sr. No. | Audit Qualification | Type of Audit Qualification | Frequency of Audit Qualification | Management's view where impact of Audit Qualification is quantified by the Auditors | Impact not quantified by Auditor, Management's estimation on the impact of audit qualification (I) | If Management is unable to estimate the impact, reasons for the same (II) | Auditor's Comment on (I) and (II) |
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| 1 | MSMED Act Compliances: The Company does not collate maintain and present the proper details of MSME Vendors registered under Micro Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, compliances of procurement; provision for interest, if any, on outstanding dues to MSME units could not be verified. We, therefore are unable to determine the delay in making payment to such entities and liability of interest and compliance on such delayed payments in terms of provisions of MSMED Act. | Qualified Opinion | First Time | Not quantified by Auditor | Not quantified by Management | Quantification of the amount is impracticable at HQ Level. Detailed exercise will have to be conducted at Unit Level for quantification of impact. | N.A |
| 2 | Revenue from License fee The Company has not generated invoices for license fees on licensees of units, viz. Ashok Hotel, Samrat Hotel & Taj Restaurant (units of ITDC) to the tune of Rs. 1292.59 lakhs during the year 2020-21 on account of Covid-19 pandemic, the licensees have disputed the same for which the Board of Directors initially denied for the waiver. Thus, the sale of services from license fee and Trade receivables of the Company continued to be understated to the extent of Rs. 1292.59 lakhs. A committee of Executives was recently formed in the Board Meeting dated 18.05.2022 in the matter and report to the Board of Directors. | Qualified Opinion | First Time | Amount of ₹ 1,292.59 lakhs not booked as Revenue from Operations | N.A. | N.A. | N.A |
| 3 | Ashok Tours and Travels (ATT) Delhi The entity has entered into arrangements for marketing of travel related business with M/S Shree plan your Journey Pvt. Ltd. | Qualified Opinion | First Time | Not quantified by Auditor | Not quantified by Management | Quantification of the amount is impracticable at | N.A. |

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| <p>(GSA). As per terms and conditions, evaluation was to be made on monthly basis of outstanding receivable and to obtain remittance from GSA. No proper evaluation, confirmation or reconciliation or assessment was available. Instead of making recovery from GSA, Rs.300 lakhs were paid by the Company on 27.08.2020 for which neither any justification was given nor was the authority of the same disclosed.</p> <p>During the year 2021-22 and 2022-23 to date, no information/data/facts were stated as audit evidence. Statutory Auditors of the Branch ATT also could not get any audit evidence and qualified the report. It was also pointed out by the Branch Statutory Auditors that various conditions of the Agreement were not complied/enforced like credit limits, monthly evaluation, additional deposit etc., in spite of raising the issue in previous year and in the year under audit. It was also stated even GSA account is not reconciled which is having gap of Rs. 656.79 lakhs as on 31.03.2022. Regarding Performance Linked Bonus (PLB) from Airlines, neither proper records were available nor proper accounting been done for which Management explained to Branch Auditors that the same will be dealt at Head Office, which is not practicable and intends to avoid to bring correct status.</p> <p>The Account and Report of Branch Auditors was available to us on Saturday evening i.e., 11.06.2022 and Audit Committee has to consider to audited Accounts on 14.06.2022 leaving no time to Central Statutory Auditors to review the matter, if at all management inclinds to make available all relevant facts, which is not in the present case. This is not out of place to mention that the issue was prolonged from last two years by the management, which was also brought to knowledge of the Hon'ble Audit Committee of the Company but the things remained unresponded. In view of circumstances stated above, we are unable to comment on the final outcome of non- compliance of</p> | | | | | <p>HQ Level. Detailed exercise will have to be conducted at Unit Level for quantification of impact.</p> | |
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| | terms of Agreement, confirmations, reconciliations and/or assessment of recoverability of outstanding in the accounts pertaining to GSA and consequential impact on the Standalone Financial Statements on this account. | | | | | | |
| 4 | <p>Paintings/ Antiques at Hotel Ashok, New Delhi (unit of ITDC)</p> <p>Some exclusive paintings and antiques are placed at Hotel Ashok, New Delhi (A Unit of ITDC). The source whereof is not identified in absence of any record. The list of Paintings/ Antiques has been identified during FY 2021-21, but the valuation thereof could not take place and hence not been considered in Books of Accounts. Pendency of Valuation, being value thereof not ascertainable and quantifiable, the impact thereof has not been considered in the Standalone Financial Statements.</p> | Qualified Opinion | First Time | Not quantified by Auditor | Not quantified by Management | Quantification of the amount is impracticable without any expert valuation. Company is in process of appointing an expert valuer with the assistance of Ministry of Culture. | N.A. |

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