

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



(भारत सरकार का एक उपक्रम)

(A Government of India Undertaking)

CIN: L74899DL1965GOI004363

Website: www.theashokgroup.com

तारीख
Date

24.07.2017

निर्देश
Reference

SEC: COORD:

Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	Manager, Department of Corporate Services, The Bombay Stock Exchange, Mumbai Floor 25, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.
Scrip Code— ITDC (EQ)	Scrip Code— 532189

Sub: Submission of modified Auditor's Report.

Dear Sir(s),

This is with reference to the submission of Auditor's Report dated 30.05.2017 for the year ended 31st March 2017 (Standalone and Consolidated) vide our letter dated 07.06.2017 under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We are uploading herewith modified Auditor's Report dated 19.07.2017 for the year ended 31st March 2017 (Standalone and Consolidated) to give effect to the observations made by the Comptroller & Auditor General of India in the supplement audit carried out by them u/s 143 (6)(a) of the Companies Act, 2013, with no impact on the financial results.

Thanking you,

Yours faithfully,

(V.K.Jain)

Company Secretary

Encl: as above

July 19, 2017

The Head
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051

The Head
Department of Corporate Services
The Stock Exchange, Mumbai
Floor 25, P.J.Towers, Dalal Street
Mumbai - 400 001

Scrip Symbol - ITDC (EQ)

Scrip code : 532189

Sir,

Sub : Notice for modified Report on the

- Standalone Financial statements , and
- Consolidated Financial Statements

**for India Tourism Development Corporation Limited, New Delhi
for the year ended 31st March 2017**

We have modified on 19.07.2017, our report dated 30.05.2017 on the accounts of the abovesaid Company for the year ended March 2017 to give effect to the observations made by the Comptroller & Auditor General of India in the supplement audit carried out by them u/s 143 (6)(a) of the Companies Act, 2013, with no impact on the financial results .

Kindly acknowledge

Thanking you

Yours faithfully


(S C Kishore)
Partner

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, NEW DELHI

Revised Report on the Standalone Financial Statements

Our report dated 30.05.2017 on the accounts for the year ended 31st March 2017 has been revised to give effect to the observations made by the Comptroller & Auditor General of India in the supplementary audit carried out by them under Section 143(6)(a) of the Companies Act, 2013.

We have audited the accompanying financial statements of **INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, New Delhi**, which comprise of Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement and a summary of the Significant Accounting Policies and other explanatory information for the year then ended, in which are incorporated the Returns of 36 units for the year ended on that date audited by Branch Auditors of the Company at locations as per Exhibit A.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013, ("the Act") with respect to the preparation and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, its profit and cash flow for the year ended on that date.

Emphasis of Matter

- a) *In respect of Ashok Hotel, notices of eviction/termination having been served on two licensees viz. M/s. Mayar Health Resort and M/s. Jain Restaurant (Shraman) in the year 2014 and 2012 respectively and the matter have become sub-judice having gone under litigation, accordingly the amounts of Rs.77.11 lakh and Rs.24.80 lakh received from them during the year 2016-17 are adjusted against their past dues. Our opinion is not qualified in respect of this matter [Refer Point 7 of Note no. 32 to the financial statements].*
- b) *In respect of ACES, unit of the Company, we draw attention towards "Trade Payables" Note-9 in the Standalone Financial Statements, against which*



- outstanding dues for more than 3 years amounting to Rs. 1,987.64 lakh are adjusted without reconciliation/approval from the management, the reconciliation being still in progress. Our opinion is not qualified in respect of this matter.*
- c) The amount of consumption of stock of stores, crockery, cutlery, etc., has been worked out by adding to the opening balances purchases made during the year and deducting there from the closing balance at the year end based on the physical inventories valued as per the accounting policy and accordingly, no separate impact of loss/shortage/wastage is included in the consumption thereof in the financial statements. Our opinion is not qualified in respect of this matter. [Refer Point no. 3 of Note No.32 to financial statements]*
- d) In most of the cases, the impact of loss/shortage due to non-reconciliation of the results of physical verification carried out for fixed assets with the books of accounts on the financial statements, remains indeterminate. Our opinion is not qualified in respect of this matter. [Refer Note No. 11 to the financial statements].*
- e) Balances in trade receivables, loans and advances, deposits, trade payables and sundry creditors (other than trade payables) are subject to independent confirmation. Our opinion is not qualified in respect of this matter. [Refer Point no. 1 of Note no.32 to the financial statements].*
- f) Amounts aggregating Rs. 156.60 lakh included under "Advances from customers" (Note No. 10 "Other Liabilities") remain unadjusted/unlinked against "Trade Receivables" (Note No. 17).*
- g) At Vigyan Bhawan, a Unit of the Company, the contract agreement with the Directorate of Estates for providing catering services expired on 17th November 2015 and the Unit is operating without any formal agreement. Our opinion is not qualified in respect of this matter. [Refer Point 2 of Note 20 to the financial statements].*

Other Matter

We did not audit the financial statements /information of 36 branches included in the Standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 26,154.14 lakh as at 31st March, 2017, and total revenues of Rs. 31,231.89 lakh for the year ended on that date, as considered in the Standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the



disclosure of amounts included in respect of these branches, is based solely on the report of such branch auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as considered appropriate by us and according to the information and explanation given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (5) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B" of our report on the compliances of the directions/sub-directions, indicating the areas to be examined, issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The reports on the accounts of branch offices of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - (d) The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account *and with the returns received from the branches not visited by us.*
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (f) Being a Government Company, pursuant to Notification No. GSR 29(E) dated 21st October 2003, issued by the Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company ;
- (g) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) No amount required to be transferred to the Investor Education and Protection Fund was outstanding at the year end; and
 - iv) The Company has provided requisite disclosures in the financial statements with respect to Units as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. However, amounts aggregating Rs.39,19,000 were received from transactions not permitted during the period 8th November, 2016 to 30th December, 2016 which were duly deposited into the Bank- Refer Point 16 of Note 32 to the financial statements.

For Kishore & Kishore
Chartered Accountants
Firm Regn. No. : 000291N




(S.C. Kishore)
Partner
M.No. 003390

Place: New Delhi
Date: 19.07.2017

"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

For the year ended 31.03.2017

The annexure 'A' referred to in our report of even date on the accounts of **India Tourism Development Corporation Limited, New Delhi**, for the year ended 31st March 2017, we report that;

i)

(a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except in few units/branches where records were incomplete in respect of quantitative details, situation, etc.*

(b) As per the information & explanation given to us, the fixed assets have been physically verified by the management generally at interval of one year. *In most of the units/branches as well as in Head-office, the book balance and physical balances have not been reconciled and hence, the discrepancies have not been ascertained for necessary adjustments in the books of accounts.*

(c) *The title deeds of immovable properties in the following cases are not held in the name of the Company:*

S. no.	Name of the Unit	Status of the Title Deed
1	The Ashok, New Delhi	Lease deed is in the name of Ashok Hotels Ltd. which merged with the Company on 28.03.1970 and not transferred in the name of the Company.
2	Hotel Jammu Ashok, Jammu	Lease deed expired on 11.01.2010.
3	Hotel Patliputra Ashok, Patna	Lease deed has not been executed in favour of the Company.
4	ATT, Delhi	Leasehold land at C-119, Naraina Industrial Area, Phase-I, Naraina, New Delhi measuring 8566 sq. yards is leased by DDA for 99 years. The original title deed was seized by the CBI in a complaint case no. RC-10(A)/2013-CBI-ACB-DLI
5	Samrat Hotel, New Delhi	Title deed of leasehold land (4.01 acre) not executed
6	ACES	Registration of Title Deed in favour of the Company has not been effected in respect of leasehold land measuring 64 Kanals at Gulmarg.
7	Taj Restaurant	Title Deed in favour of the Corporation has not been effected.

ii) As per the information & explanation provided to us, inventories have been physically verified by the management generally once in a year. *Few of the*



branch auditors have reported that physical verification report was not available for verification.

The Company is generally maintaining proper record of inventory but the closing inventory is recorded in the books of accounts on the basis of physically available inventory and no actual shortage/loss/wastage is recorded separately.

- iii) As per the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, therefore clause 3(iii) (a) (b) and (c) of the Companies (Auditors Report) Order, 2016, are not applicable.
- iv) As per the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act.
- v) As per the information and explanation given to us, the Company has not accepted any deposit from the public in terms of section 73 to 76 or any other relevant provisions of the Act, and the Rules framed there under. Thus, the directives of Reserve Bank of India and provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2016, are not applicable.
- vi) As per the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
- vii) (a) In our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service-tax, customs duty, excise duty, value-added tax, cess and any other statutory dues to the appropriate authorities and if not, *the extent of arrears of outstanding statutory dues as at the last day of financial year concerned for a period of more than six months from the date they became payable, are given below:*

Name of the Unit	Nature of Dues	Amount (Rs. in lakh)	Period to which the amount Relates
ATT Patna	Service-Tax	0.0068	More than 6 months
Hotel Kalinga Ashok	Lease Rent of Land Payable to Govt.	0.0195	More than 6 months
	Works Contract Tax	0.7401	2015-16
	Works Contract Tax	0.0288	2016-17
	Labour Cess	0.0048	2015-16
	Labour Cess	0.0122	2016-17

	VAT	0.7288	More than 6 months
AIHTM	TDS	0.74	More than 6 months
Hyderabad House	ESI	1.72	More than 6 months
Vigyan Bhawan	ESI	4.78	More than 6 months
Hotel Ashok	Property Tax	306.93	For earlier years

(b) *Cess, dues of Income-tax or Sales-tax or Wealth-tax or Service-tax or duty of customs or duty of excise or value added tax have not been deposited on account of dispute:*

Name of the Unit	Nature of Dues	Amount (Rs. in lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Hotel Kalinga Ashok	Excise Duty (MGQ)	13.33	2002-03	Odisha High Court
	ESI	1.45	Earlier Years	District Court, Khurda
	Service Tax	52.91	Earlier Years	Addl. Director General, DGCEI, Kolkata
AITD	Custom Duty (Demand for DPS Mumbai)	18478.67	2004-05	CESTAT
	Custom Duty (Demand for DFS Kolkatta)	42.17	2003	Committee of Dispute
	Sales Tax/VAT	2465.12	1995-2008	Commissioner Appeals
Hotel Patliputra Ashok	ESI	0.67	Earlier Years	ESI Labour court
	VAT	3.09	Earlier Years	Bihar VAT Act JCCT, Patna
Hotel Samrat	ESI	71.68**	1998-2003	Delhi High Court
	EPF	17.91	1982-1985	Supreme Court
Hotel Ashok	ESI	686.32	Earlier Years	Delhi High Court, Tis Hazari, Delhi
	Service Tax	22.04	Earlier Years	CESTAT, Delhi
Ashok events	Service-Tax	39.65	2006-2009	Additional

				Commissioner of Service Tax
Taj Restaurant	Trade Tax	0.50	30.09.2002	Department of VAT
	Trade Tax	0.71	12.02.2003	Department of VAT
LMPH	Service Tax	7.99	2010-11 to 2014-15	CESTAT
	Service Tax	5.89	2015-16	Commissioner of Service Tax

**Unit has provided liability of Rs. 50.79 lakh in the books of account.

- viii) According to the information and explanations given to us, the Company has not taken any loan from any financial institution, Bank or issued any debentures till the end of financial year. Hence the provisions of clause 3(viii) of the Companies (Auditors Report) Order, 2016, regarding reporting on default in repayment of dues to financial institution or bank or debenture is not applicable.
- ix) According to the information provided and explanations given to us, no moneys have been raised by way of initial public offer or further public offer (including debt instruments) nor any term loan from any bank or financial institutions. Thus provisions of clause 3 (ix) of the Companies (Auditors Report) Order, 2016, are not applicable to the Company.
- x) As per the information provided and explanation given to us, no fraud by or on the Company by its officers or employees has been noticed or reported during the year.
- xi) As per the information and explanation given to us the provisions of Section 197 read with Schedule V to the Act, are not applicable on Government Company. Thus, the provisions of clause 3 (xi) of the Companies (Auditors Report) Order, 2016, are not applicable to the Company.
- xii) The Company is not a Nidhi Company, so the provisions of clause 3 (xii) of the Companies (Auditors Report) Order, 2016, are not applicable.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, and wherever applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, so the requirement of section 42 of the Act, are not applicable on it; therefore clause

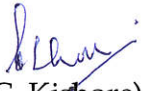
3 (xiv) of the Companies (Auditors Report) Order, 2016, are not applicable to the Company.

- xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him, therefore clause 3 (xv) of the Companies (Auditors Report) Order, 2016, are not applicable to the Company.
- xvi) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, therefore clause 3 (xvi) of the Companies (Auditors Report) Order, 2016, are not applicable to the Company.

For Kishore & Kishore
Chartered Accountants
Firm Regn. No. : 000291N



Place: New Delhi
Date: 19.07.2017


(S.C. Kishore)
Partner
M.No. 003390

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, NEW DELHI.

Report on the directions given by the Comptroller and Auditor General of India under section 143(5) of the Act, of the Company. (Standalone Financial Statement)

S. No.	Direction/Sub-directions	Comments																		
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold for which title/lease deeds are not available.	As per the information and explanation given to us, the Company has clear title/lease deeds for freehold and leasehold, except in the following cases: <table> <thead> <tr> <th>S.No</th><th>Unit Name</th><th>Remarks</th></tr> </thead> <tbody> <tr> <td>1.</td><td>The Ashok</td><td>Lease deed in respect of land of Ashok hotel is registered in the name of erstwhile Ashok Hotel Limited, which merged with the Company on 28th March, 1970. The total area of leasehold land is 21.155 acres.</td></tr> <tr> <td>2.</td><td>Hotel Samrat</td><td>Title deed is not executed. Area involved is 4.01 acre.</td></tr> <tr> <td>3.</td><td>Hotel Patliputra Ashok, Patna</td><td>Lease deed has not been executed in the favour of the Company. Area involved is 1.5 acre.</td></tr> <tr> <td>4.</td><td>Hotel Jammu</td><td>Lease deed expired on 11.01.2010. Area involved is 60 Kannal.</td></tr> <tr> <td>5.</td><td>ATT, Delhi</td><td>Leasehold land at C-119, Naraina Industrial Area, Phase-I, Naraina, New Delhi, measuring 8566 sq. yards is leased by DDA for 99 years. The original title deed was</td></tr> </tbody> </table>	S.No	Unit Name	Remarks	1.	The Ashok	Lease deed in respect of land of Ashok hotel is registered in the name of erstwhile Ashok Hotel Limited, which merged with the Company on 28th March, 1970. The total area of leasehold land is 21.155 acres.	2.	Hotel Samrat	Title deed is not executed. Area involved is 4.01 acre.	3.	Hotel Patliputra Ashok, Patna	Lease deed has not been executed in the favour of the Company. Area involved is 1.5 acre.	4.	Hotel Jammu	Lease deed expired on 11.01.2010. Area involved is 60 Kannal.	5.	ATT, Delhi	Leasehold land at C-119, Naraina Industrial Area, Phase-I, Naraina, New Delhi, measuring 8566 sq. yards is leased by DDA for 99 years. The original title deed was
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		seized by CBI in a complaint case no. RC-10(A)/2013-CBI-ACB-DLI 6. ACES Registration of Title deed in favour of Corporation has not been effected in respect of lease hold land at Gulmarg. The area of land is 64 Kanals. 7. Taj Restaurant Title deed in favour of the Company has not been effected nor information as to the area of the property made available to us .						
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons there for and the amount involved.	During the course of audit write off of debts made by the Company are as follows: <table> <thead> <tr> <th>S.No</th><th>Unit Name</th><th>Remarks</th></tr> </thead> <tbody> <tr> <td>1.</td><td>The Ashok-</td><td>The Unit has written off bad-debts amounting to Rs. 39,57,026.57 during the year ended 31st March 2017. A unit level committee was formed for the purpose of reviewing the doubtful debts remaining outstanding for a period of more than 3 years. The committee, after examining and justifying that the debts have become irrecoverable and barred by time, recommended</td></tr> </tbody> </table>	S.No	Unit Name	Remarks	1.	The Ashok-	The Unit has written off bad-debts amounting to Rs. 39,57,026.57 during the year ended 31 st March 2017. A unit level committee was formed for the purpose of reviewing the doubtful debts remaining outstanding for a period of more than 3 years. The committee, after examining and justifying that the debts have become irrecoverable and barred by time, recommended
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		writing off of debts for total amount of Rs. 39,57,026.57 which was duly approved by the competent authority.
2.	ATT-Delhi-	Debts of Rs. 475,385 (25 Parties) has been written off on the recommendation of the committee constituted for the purpose and subsequent approval of the competent authority. The cases were old for more than 5 years and not recoverable.
3.	LMPH-	Sundry Debtors amounting Rs. 3,689.15 (M/s Croatia Crafts) has been written off as bed debts towards License fee after vacating the shop.
4.	ATT-Kolkata-	Write off of debts amounting Rs. 3645.41 were not recoverable so write off.
5.	ATT-Chennai-	Write off of debts amounting Rs. 3305.25 are more than 5 years old hence written off.
6.	ATT-Bangalore-	Write off of debts amounting Rs. 76,698 outstanding more than 14 year and

		considered not recoverable.
		7. Janpath Hotel- Write off of debts amounting to Rs. 50,830.50 being very old.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.	As per the information and explanations provided by the Management, no inventory is lying with third parties and no asset were received as gift / grant(s) from Govt. or other Authorities except in cases of the Hotel The Ashok and Hotel Samrat, Delhi- The inventory of wine, beer and beverages is lying with the leased out restaurants, for which proper records are maintained by these Units.

Place: New Delhi
Date: 19.07.2017



For Kishore & Kishore
Chartered Accountants
Firm Regn. No. :000291N


(S.C. Kishore)
Partner
M.No. 003390

"ANNEXURE C" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, NEW DELHI .

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **India Tourism Development Corporation Limited**, New Delhi, as of March 31, 2017, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit and considering the reports of the branch auditors. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company generally has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Kishore & Kishore
Chartered Accountants
Firm Regn No. 000291N



Place: New Delhi
Date: 19.07.2017


(S.C. Kishore)
Partner
M.No. 003390

India Tourism Development Corporation Ltd
Statement of location of the Company's Units
Financial Year 2016-17

Sl.No.	Name of the Unit	ADDRESS
1	Hotel Jaipur Ashok, Jaipur	Jai Singh Circle, Bani Park, Jaipur-302 016
2	Hotel Samrat, New Delhi	Kautilya arg, Chankyapuri, New Delhi-1100021.
3	Hotel Jan path ,New Delhi	Jan path, New Delhi-110 001.
4	Western Court,New Delhi	Hotel Jan path, Jan path, New Delhi-110 001.
5	Ashok Travels & Tours(ATT), New Delhi	Hotel Jan path, Jan path, New Delhi-110 001.
6	Ashok Events, New Delhi	Hotel Ashok, 50-B, Chankya Puri, New Delhi-110 021.
7	Ashok International Trade Division, New Delhi	Scope Complex, Core-8, Lodi Road, New Delhi-110003.
8	Ashok Institute of Hospitality & Tourism Management, New Delhi	C-12A, Qutab Institutional Area, New Delhi-110 016.
9	Ashok Consultancy & Engg. Services Division(ACES), New Delhi	Scope Complex, Core-8, Lodi Road, New Delhi-110003.
10	Hotel Jammu Ashok, Jammu	Opp. Amar Mahal, P. Box No.60, Jammu Tawi-180 001.(J&K)
11	Hotel Patliputra Ashok, Patna	Beer Chand Patel Path, Patna-800 001.
12	Lalitha Mahal Palace Hotel, Mysore	Mysore-570 011. (Karnataka)
13	Hotel Kalinga Ashok, Bhubaneswar	Gautam Nagar, Bhubaneswar-751014
14	Taj Restt. , Agra	Taj Ganj, Near Taj Mahal, Agra, U.P.
15	Kosi Restt., Kosi	Kosikalan, Kosi, U.P.
16	Bharatpur Forest Lodge	Bharatpur - 321001 (Rajasthan)
17	ATT Kolkatta	3G Everest Buiding, 46 C, Jawaharlal Nehru Road, KOLKATTA-700071
18	ATT Ranchi	P.O Hinoo, Doranda ,Ranchi - 834002 (Jharkhand)
19	ATT Patna	Hotel Patliputra Ashok, Beer Chand Patel Path, Patna-800 001.
20	ATT Varanasi	Yadhunath Marg, Airlines Building, Varanasi - 221002
21	ATT Guwahati	Hotel Brahmaputra Ashok, MG Road, Guwahati - 781001
22	DFS Kolkata Port	N S Dock, Kolkata Port Trust, KOLKATA
23	DFS Haldia Port	Finger Jetty Canteen Building, Interior Zone of Haldia Dock Complex, Haldia Port Trust, HALDIA - 721607 (W.B)
24	DFS-Paradip Port	GCB Control room, Ground Floor, Paradip Port, PARADIP, ODISHA - 754142
25	ATT Bangalore	No.33, Swiss Complex, Race Course Road, Bangalore
26	ATT Hyderabad	GF-3, Tourism Plaza, Balayogi Paryatak Bhawan, 6-3-870 Greenlands, Bagumpet, Hyderabad - 500016
27	ATT Chennai	29 Victoria Crescent, Commander-in-Chief Road, Chennai- 600015
28	DFS Madras Port	1st Floor, Cruise Passenger Terminal, West Quay- IV, Chennai Port Trust, CHENNAI - 600001
29	DFS Coimbatore	International Airport, Coimbatore - 641014 (Tamil Nadu)
30	DFS Vishakhapatnam	EQ-3 & EQ-4, Main Gate, Docks Area, Visakhapatnam Port Trust, VISAKHAPATNAM - 530035
31	ATT Mumbai	11, Morvi House, 28/30 Goa Street Fort, Mumbai - 400001
32	ATT Aurangabad	Shop No. 1 TRC Building, MTDC holiday Resort, Railway Station road, Aurangabad - 431005
33	DFS Sea Port-Goa	Near Berth no. 10 & 11, Marmugoa Port Vasco, GOA - 403802
34	DFS Sea Port- Mangalore	NMPT Panambur Mangalore - 575010 (KARNATAKA)
35	DFS-Mumbai Port	Port House Shoorji Vallabhdas Marg, Mumbai - 400001
36	DFS-Kakinada	Kakinada Deep Water Sea Port, Kakinada



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, NEW DELHI

Revised Report on the Consolidated Financial Statements

Our report dated 30.05.2017 on the accounts for the year ended 31st March 2017 has been revised to give effect to the observations made by the Comptroller & Auditor General of India in the supplementary audit carried out by them under Section 143(6)(a) of the Companies Act, 2013 .

We have audited the accompanying consolidated financial statements of **INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, New Delhi, (hereinafter referred to as " the Holding Company")** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and a joint venture entity, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, and a summary of the Significant Accounting Policies and other explanatory information for the year then ended (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013, ("the Act") with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the



purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid .

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and obtained by other auditors in terms of their report referred to in sub-paragraph a) of the Basis for Qualified opinion is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- a) At Assam Ashok Hotel Corporation Ltd., subsidiary,
 - i) For Deferred tax asset of Rs. 25.65 lakh created as per AS-22 "Accounting for taxes on Income" in the past, there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. The subsidiary has not been able to justify the aforesaid resulting in understatement of loss and overstatement of deferred tax assets by abovementioned amount.



- ii) The payment of Rs.2.50 lakh for renewal of bar license for financial year 2017-18 and its charging as expense for the year has resulted in overstatement of expenses and understatement of current assets by equal amount.

The overall impact of the Qualified opinion is over statement of profit for the year by Rs. 23.15 lakh and understatement of current assets by Rs. 2.50lakh and overstatement of deferred tax assets by Rs. 25.65 lakh .

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at 31st March 2017, their consolidated profit and their consolidated cash flow for the year ended on that date.

Emphasis of Matter

- a) *In respect of Ashok Hotel, Unit of the Holding Company, notices of eviction/termination having been served on two licensees viz. M/s. Mayar Health Resort and M/s. Jain Restaurant (Shraman) in the year 2014 and 2012 respectively and the matter have become sub-judice having gone under litigation, accordingly the amounts of Rs.77.11 lakh and Rs.24.80 lakh received from them during the year 2016-17 are adjusted against their past dues . Our opinion is not qualified in respect of this matter [Refer Point 7 of Note no. 32 to the consolidated financial statements].*
- b) *In respect of ACES, Unit of the Holding Company, we draw attention towards "Trade Payables" Note-9 in the Consolidated Financial Statements, against which outstanding dues for more than 3 years amounting to Rs. 1,987.64 lakh are adjusted without reconciliation/approval from the management, the reconciliation being still in progress. Our opinion is not qualified in respect of this matter.*
- c) *At Vigyan Bhawan, a Unit of the Holding Company, the contract agreement with the Directorate of Estates for providing catering services expired on 17th November 2015 and the Unit is operating without any formal agreement. Our opinion is not qualified in respect of this matter. [Refer Point 2 of Note 20 to the consolidated financial statements].*

- d) Amounts aggregating Rs. 156.60 lakh included under "Advances from customers" (Note No. 10 "Other Liabilities") remain unadjusted/unlinked against "Trade Receivables" (Note No. 17).
- e) The amount of consumption of stock of stores, crockery, cutlery, etc., has been worked out by adding to the opening balances purchases made during the year and deducting there from the closing balance at the year end based on the physical inventories valued as per the accounting policy and accordingly, no separate impact of loss/shortage/wastage is included in the consumption thereof in the consolidated financial statements. Our opinion is not qualified in respect of this matter. [Refer Point no. 2 of Note No.32 to consolidated financial statements]
- f) In most of the cases, the impact of loss/shortage due to non-reconciliation of the results of physical verification carried out for fixed assets with the books of accounts on the consolidated financial statements, remains indeterminate. Our opinion is not qualified in respect of this matter. [Refer Note No. 11 to the consolidated financial statements].
- g) Balances in trade receivables, loans and advances, deposits, trade payables and sundry creditors (other than trade payables) are subject to independent confirmation. Our opinion is not qualified in respect of this matter. [Refer Point no. 1 of Note no.32 to consolidated financial statements]

Other Matter

We did not audit the financial statements /information of following subsidiaries and joint venture, whose financial statement/financial information reflect total assets of Rs. 2431.76 lakh as at 31st March, 2017, total revenues of Rs. 2315.15 lakh and net cash flows amounting to (Rs. 143.21 lakh) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statement also include the Group's share of net loss of Rs. 453.04 lakh for the year ended 31st March 2017, as considered in the consolidated financial statements, in respect of subsidiaries and joint venture , whose financial statements/financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors including the information relating to the joint venture which is unaudited .

The details of Assets, Revenues and Net Cash Flows in respect of these subsidiaries and joint venture to the extent to which they are reflected in the consolidated financial statements are given below:

Name of Subsidiary/ Joint Venture	Total Assets (in Rs.)	Total Revenue (in Rs.)	Net Cash flow (in Rs.)
Madhya Pradesh Ashok Hotel Corporation Ltd.	5,86,98,733.25	7,67,47,496.95	7,08,301.42
Utkal Ashok Corporation Ltd.	2,45,57,826.31	0.00	(23,12,356.00)
Assam Ashok Corporation Ltd.	3,38,02,457.00	6,02,69,152.00	(27,31,155.00)
Ranchi Ashok Bihar Hotel Corporation Ltd.	2,05,71,616.00	81,25,992.00	(1,30,68,086.00)
Pondicherry Hotel Ashok Corporation Ltd.	3,90,88,629.96	5,48,46,990.96	76,44,334.87
Punjab Ashok Hotel Corporation Ltd.	2,94,57,964.39	0.00	(6,00,060.00)
Donyi Polo Ashok Hotel Corporation Ltd.	3,14,99,648.71	3,11,40,095.00	(39,61,880.95)
ITDC Aldeasa India Private Ltd *	54,98,691.00	3,85,276	-
Total	24,31,75,566.62	23,15,15,002.91	(1,43,20,901.66)

* These are unaudited figures

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the Auditors' Report of the Holding Company, subsidiaries and joint venture company incorporated in India, and according to the information and explanation given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (5) of the Act, and on the basis of such checks of the books and records of the Holding Company as we considered appropriate and the reports of the subsidiaries and joint venture, and according to the information and explanations given to us, we give in the "Annexure B" of our report on the compliances of the directions/sub-

directions, indicating the areas to be examined, issued by the Comptroller and Auditor General of India.

3. As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

- (b) The reports on the accounts of branch offices of the Holding Company and its subsidiaries incorporated in India, audited under section 143(8) of the Act by branch auditors and other auditors have been sent to us and have been properly dealt with by us in preparing this report.
- (c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained *and with the returns received from the branches of the Holding Company, its subsidiaries and joint venture company incorporated in India not visited by us.*
- (d) **Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above,** in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matters described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Group and the joint venture .
- (f) Being a Government Company, pursuant to Notification No. GSR 29(E) dated 21st October 2003, issued by the Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company ;



- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
- (h) With respect to the adequacy of the internal financial control over financial reporting of the Group and the joint venture and the operating effectiveness of such control, refer to our separate report in "Annexure C".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and the joint venture - Refer Note 31 to the consolidated financial statements;
 - ii) The Group and the joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) No amount required to be transferred to the Investor Education and Protection Fund was outstanding at the year end., and
 - iv) The Group and the joint venture has provided requisite disclosure in the consolidated financial statements with respect to Units of the Holding Company and the subsidiaries and joint venture company incorporated in India as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation and the reports received in respect of the subsidiaries and the joint venture we report that the disclosures are in accordance with books of account maintained by the Group and the joint venture and as produced to us by the Management. **However, amounts aggregating to Rs. 45,55,500 was received from transactions not permitted during the period 8th**

November, 2016 to 30th December, 2016 which were duly deposited into the Bank- Refer Point 17 of Note 32 to the consolidated financial statements.

Place: New Delhi
Date: 19.07.2017



For Kishore & Kishore
Chartered Accountants
Firm Regn. No. : 000291N


(S.C. Kishore)
Partner
M.No. 003390

"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT
For the year ended 31.03.2017

The annexure 'A' referred to in our report of even date on the consolidated accounts of **India Tourism Development Corporation Limited, New Delhi**, its subsidiaries and joint venture incorporated in India for the year ended 31st March 2017, we report that;

i)

(a) The Group and its joint venture Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets *except in few units/branches/subsidiaries/ joint venture where records were incomplete in respect of quantitative details, situation, etc.*

(b) As per the information & explanation to us, the fixed assets have been physically verified by the management generally at the year end *except Utkal Ashok Hotel Corporation Ltd, a subsidiary. Further, in most of the units/branches/subsidiaries/joint venture company as well as in Head-office, the book balance and physical balances have not been reconciled and hence, the discrepancies have not been ascertained for necessary adjustments in the books of accounts.*

(c) *The title deeds of immovable properties in following cases are not held in the name of the Holding Company/ the Group:*

S. no.	Name of the Unit/subsidiary/JV	Status of the Title Deed
1	The Ashok, New Delhi	Lease deed is in the name of Ashok Hotels Ltd. which merged with the Company on 28.03.1970 and not transferred in the name of the Company.
2	Hotel Jammu Ashok, Jammu	Lease deed expired on 11.01.2010.
3	Hotel Patliputra Ashok, Patna	Lease deed has not been executed in favour of the Company.
4	ATT, Delhi	Leasehold land at C-119, Naraina Industrial Area, Phase-I, Naraina, New Delhi, measuring 8566 sq. yards is leased by DDA for 99 years. The original title deed was seized by the CBI in a complaint case no. RC-10(A)/2013-CBI-ACB-DLI.
5	Samrat Hotel, New Delhi	Title deed of leasehold land (4.01 acre) not executed.
6	ACES	Registration of Title Deed in favour of the Company has not been effected in respect of leasehold land measuring 64Kanal at Gulmarg.



7	Taj Restaurant	Title Deed in favour of the Corporation has not been effected.
8	Assam Ashok Hotel Corporation Limited	Land Leased by Government of Assam has expired on 08.01.2017 and yet not renewed.
9	MP Ashok Hotel Corporation Ltd	The lease of the land on which the hotel main building is constructed has expired in August, 2016. Area involved is 7.16 acres.

- ii) As per the information & explanation provided to us, inventories have been physically verified, by the management generally once in a year. *Few of the branch auditors have reported that physical verification report was not available for verification.*

The Group and its joint venture is generally maintaining proper record of inventory *but the closing inventory is recorded in the books of accounts on the basis of physically available inventory and no actual shortage/loss/wastage is recorded.*

- iii) As per the information and explanations given to us, the Group and its joint venture has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, therefore clause 3(iii) (a) (b) and (c) of the Companies (Auditors Report) Order, 2016, are not applicable.
- iv) As per the information and explanations given to us, the Group and its joint venture has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v) As per the information and explanation given to us, the Group and its joint venture has not accepted any deposit from the public in terms of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the Rules framed there under. Thus, the directives of Reserve Bank of India and provisions of clause 3 (v) of the Companies (Auditors Report) Order, 2016, are not applicable.
- vi) As per the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii) (a) In our opinion the Group and its joint venture is generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service-tax, customs-duty, excise-duty, value-

added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of arrears of outstanding statutory dues as at the last day of financial year concerned for a period of more than six months from the date they became payable, are given below:

Name of the Unit/subsidiaries/JV	Nature of Dues	Amount (Rs. in lakh)	Period to which the amount relates
ATT Patna	Service-Tax	0.0068	More than 6 months
Hotel Kalinga Ashok	Lease Rent of Land Payable to Govt.	0.0195	More than 6 months
	Works Contract Tax	0.7401	2015-16
	Works Contract Tax	0.0288	2016-17
	Labour Cess	0.0048	2015-16
	Labour Cess	0.0122	2016-17
	VAT	0.7288	More than 6 months
AIHTM	TDS	0.74	More than 6 months
Hyderabad House	ESI	1.72	More than 6 months
Vigyan Bhawan	ESI	4.78	More than 6 months
Hotel Ashok	Property Tax	306.93	For earlier years
Assam Ashok Hotel Corporation Limited, subsidiary	Professional Tax	0.13	More than 6 months
	Assam general sales Tax	1.18	More than 6 months
	Assam Expenditure tax	2.89	More than 6 months
	Assam value added Tax	6.80	More than 6 months
	Service Tax	13.57	More than 6 months
	Employee state insurance	0.01	More than 6 months
	Luxury Tax	34.59	More than 6 months
Hotel Ranchi Ashok, subsidiary	Sales Tax	0.77	More than 6 months
	Luxury Tax	0.06	More than 6 months

Donyi Polo Ashok Hotel Corporation Limited, subsidiary	Income tax demand for TDS payment	0.18	2008-09
	Income tax demand for TDS payment	0.04	2009-10
	Income tax demand for TDS payment	0.03	2011-12
	Income tax demand for TDS payment	0.004	2015-16

(b) Cess, dues of Income-tax or Sales-tax or Wealth-tax or Service-tax or duty of customs or duty of excise or value added tax have not been deposited on account of dispute:

Name of the Unit/subsidiary/JV	Nature of Dues	Amount (Rs. In lakh)	Period to which the Amount Relates	Forum where Dispute is Pending
Hotel Kalinga Ashok	Excise Duty (MGQ)	13.33	2002-03	Odisha High Court
	ESI	1.45	Earlier Years	District Court, Khurda
	Service Tax	52.91	Earlier Years	Addl. Director General, DGCEI, Kolkata
AITD	Custom Duty (Demand for DPS Mumbai)	18478.67	2004-05	CESTAT
	Custom Duty (Demand for DFS Kolkatta)	42.17	2003	Committee of Dispute
	Sales Tax/VAT	2465.12	1995-2008	Commissioner Appeals
Hotel Patliputra Ashok	ESI	0.67	Earlier Years	ESI Labour court
	VAT	3.09	Earlier Years	Bihar VAT Act JCCT, Patna
Hotel Samrat	ESI	71.68*	1998-2003	Delhi High Court
	EPF	17.91	1982-1985	Supreme Court

Hotel Ashok	ESI	686.32	Earlier Years	Delhi High Court, Tis Hazari, Delhi
	Service Tax	22.04	Earlier Years	CESTAT, Delhi
Ashok events	Service-Tax	39.65	2006-2009	Additional Commissioner of Service Tax
Taj Restaurant	Trade Tax	0.50	30.09.2002	Department of VAT
	Trade Tax	0.71	12.02.2003	Department of VAT
LMPH	Service Tax	7.99	2010-11 to 2014-15	CESTAT
		5.89	2015-16	Commissioner of S Tax
Assam Ashok Hotel Corporation Limited	Service Tax with Interest & Penalty	89.96	Earlier Years	CESTAT, Kolkata
Madhya Pradesh Ashok Hotel Corporation Ltd.	Service Tax	5.59	2008-09 to 2012-13	CESTAT, New Delhi
	Luxury Tax	1.36**	2004-05	Commercial Tax department

* Unit has provided liability of Rs. 50.79 lakh in books of accounts

** 0.58 deposited against appeal for demand have been deposited.

- viii) According to the information and explanations given to us, the Group and its joint venture has not taken any loan from any financial institution, Bank or issued any debentures till the end of financial year *except in the case of Assam Ashok Hotel Corporation, the detail of loan outstanding as follow:*

Particular	Amount (Rs. in lakh)
Loan from Assam Industrial Development Corporation Ltd.	90.00
Interest on Loan	206.40

Panel Interest	44.42
Additional interest	42.67
Total	383.50

The period of default of the loan amount not made available to us.

- ix) According to the information provided and explanations given to us, no moneys have been raised by way of initial public offer or further public offer (including debt instruments) nor any term loan from any bank or financial institutions. Thus provisions of clause 3 (ix) of the Companies (Auditors Report) Order, 2016, are not applicable to the Group.
- x) As per the information provided and explanation given to us, no fraud by or on the Group by its officers or employees has been noticed or reported during the year.
- xi) As per the information and explanation given to us the provisions of section 197 read with Schedule V to the Companies Act, 2013, are not applicable on Government Company. Thus provisions of clause 3 (xi) of the Companies (Auditors Report) Order, 2016, are not applicable to the Group.
- xii) The Group and its joint venture does not have any Nidhi Company, so the provisions of clause 3 (xii) of the Companies (Auditors Report) Order, 2016, are not applicable.
- xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and wherever applicable the details have been disclosed in the Consolidated Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations provided to us, the Group and its joint venture has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review so, the requirement of section 42 of the Companies Act, 2013, are not applicable on it; therefore clause 3 (xiv) of the Companies (Auditors Report) Order, 2016, are not applicable to the Group.
- xv) According to information and explanations given to us, the Group and its joint venture has not entered into any non-cash transactions with directors or persons connected with him, therefore clause 3 (xv) of the Companies (Auditors Report) Order, 2016, are not applicable to the Group.

- xvi) According to information and explanations given to us, the Group and its joint venture is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, therefore clause 3 (xvi) of the Companies (Auditors Report) Order, 2016, are not applicable to the Group.

For Kishore & Kishore
Chartered Accountants
Firm Regn. No. : 000291N



Place: New Delhi
Date: 19.07.2017

(S.C. Kishore)
Partner
M.No. 003390

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, NEW DELHI.

Report on the directions given by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013 of India Tourism Development Corporation Ltd. (Consolidated Financial Statement)

S. No.	Direction/Sub-directions	Comments																		
1	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold for which title/lease deeds are not available.	As per the information and explanation given to us, the Group and its joint venture has clear title/lease deeds for freehold and leasehold, except in the following cases: <table> <thead> <tr> <th>S.No</th><th>Unit/Subsidiary/JV Name</th><th>Remarks</th></tr> </thead> <tbody> <tr> <td>1.</td><td>The Ashok</td><td>Lease deed in respect of land of Ashok hotel is registered in the name of erstwhile Ashok Hotel Limited, which merged with the Company on 28th March, 1970. The total area of leasehold land is 21.155 acres.</td></tr> <tr> <td>2.</td><td>Hotel Samrat</td><td>Title deed is not executed. Area involved is 4.01 acre.</td></tr> <tr> <td>3.</td><td>Hotel Patliputra Ashok, Patna</td><td>Lease deed has not been executed in the favour of the Company. Area involved is 1.5 acre.</td></tr> <tr> <td>4.</td><td>Hotel Jammu</td><td>Lease deed expired on 11.01.2010. Area involved is 60 Kannal.</td></tr> <tr> <td>5.</td><td>ATT, Delhi</td><td>Leasehold land at C-119, Naraina Industrial Area, Phase-I, Naraina, New Delhi, measuring 8566 sq. yards is leased by DDA for 99 years.</td></tr> </tbody> </table>	S.No	Unit/Subsidiary/JV Name	Remarks	1.	The Ashok	Lease deed in respect of land of Ashok hotel is registered in the name of erstwhile Ashok Hotel Limited, which merged with the Company on 28th March, 1970. The total area of leasehold land is 21.155 acres.	2.	Hotel Samrat	Title deed is not executed. Area involved is 4.01 acre.	3.	Hotel Patliputra Ashok, Patna	Lease deed has not been executed in the favour of the Company. Area involved is 1.5 acre.	4.	Hotel Jammu	Lease deed expired on 11.01.2010. Area involved is 60 Kannal.	5.	ATT, Delhi	Leasehold land at C-119, Naraina Industrial Area, Phase-I, Naraina, New Delhi, measuring 8566 sq. yards is leased by DDA for 99 years.
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5.	ATT, Delhi	Leasehold land at C-119, Naraina Industrial Area, Phase-I, Naraina, New Delhi, measuring 8566 sq. yards is leased by DDA for 99 years.																		



		The original title deed was seized by CBI in a complaint case no. RC-10(A)/2013-CBI-ACB-DLI. 6. ACES Registration of Title deed in favour of Corporation has not been effected in respect of lease hold land at Gulmarg. The area of land is 64 Kanals. 7. Taj Restaurant Title deed in favour of the Company has not been effected nor information as to the area of the property made available to us 8. MP Ashok Hotel Corporation Ltd The lease of the land on which the hotel main building is constructed has expired in August, 2016. Area involved is 7.16 acres. 9. Assam Ashok Hotel Corporation Limited Land Leased by government of Assam has expired on 08.01.2017 and yet not renewed. Area involved is 2.5 acres.						
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons there for and the amount involved.	During the course of audit, we have not observed any case of waiver/write off of debts/loans/interest etc: <table> <thead> <tr> <th>S.No</th><th>Unit/Subsidiary/JV Name</th><th>Remarks</th></tr> </thead> <tbody> <tr> <td>1.</td><td>The Ashok</td><td>The Unit has written off bad-debts amounting to Rs. 39,57,026.57 during the year ended 31st</td></tr> </tbody> </table>	S.No	Unit/Subsidiary/JV Name	Remarks	1.	The Ashok	The Unit has written off bad-debts amounting to Rs. 39,57,026.57 during the year ended 31 st
S.No	Unit/Subsidiary/JV Name	Remarks						
1.	The Ashok	The Unit has written off bad-debts amounting to Rs. 39,57,026.57 during the year ended 31 st						

		March 2017. A unit level committee was formed for the purpose of reviewing the doubtful debts remaining outstanding for a period of more than 3 years. The committee, after examining and justifying that the debts have become irrecoverable and barred by time, recommended writing off of debts for total amount of Rs. 39,57,026.57 which was duly approved by the competent authority.
2.	ATT-Delhi	Debts of Rs. 475,385 (25 Parties) has been written off on the recommendation of the committee constituted for the purpose and subsequent approval of the competent authority. The cases were old for more than 5 years and not recoverable.
3.	LMPH	Sundry Debtors amounting Rs. 3,689.15 (M/s Croatia Crafts) has been written off as bed debts towards License fee after vacating the shop.
4.	ATT-Kolkata	Write off of debts amounting Rs. 3645.41



		5. ATT- Chennai Write off of debts amounting Rs. 3305.25 are old more than 5 years hence written off. 6. ATT-Bangalore Write off of debts amounting Rs. 76,698 outstanding more than 14 year and considered not recoverable. 7. Janpath Write off of debts amounting to Rs. 50,830.50 being very old. 8. MP Ashok Hotel Corporation Ltd Due from M/s Moon Mark Rs. 53,268 and Security Deposit with supplier Rs. 10,570 written off vide approval in B.M. No. 124 dated 21.03.2017
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.	As per the information and explanations provided by the Management, no inventory is lying with third parties and no asset were received as gift/grant(s) from Govt. or other Authorities except in cases of the Hotel The Ashok and Hotel Samrat, Delhi- The inventory of wine, beer and beverages is lying with the leased out restaurants, for which proper records are maintained by these Units.

For Kishore & Kishore
Chartered Accountants
Firm Regn. No. : 000291N



Place: New Delhi
Date: 19.07.2017


(S.C. Kishore)
Partner
M.No. 003390

"ANNEXURE C" TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, NEW DELHI, ITS SUBSIDIARIES AND JOINT VENTURE COMPANIES

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the accompanying consolidated financial statements of INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, New Delhi, (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, in conjunction with our audit of the financial statements of the Company for the year ended on 31st March 2017.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies and joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint venture internal financial controls over financial reporting based on our audit and considering the reports of the branch auditors and other auditors of the subsidiaries and joint venture. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the



audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries and joint venture incorporated in India generally have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Group and its joint venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143 (3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to seven subsidiary Companies and one Joint Venture which are companies incorporated in India is based on the corresponding reports of the Auditors of such Companies, except the Joint venture which is unaudited .

Further, in our opinion the remarks of the auditor for Donyi Polo Ashok Hotel Corporation Limited, in the matter of their Internal Financial Control, not being significant in the context of the Group as a whole, have not been considered, and for that reason a reference is being made here .

For Kishore & Kishore
Chartered Accountants
Firm Regn. No. : 000291N



Place: New Delhi
Date: 19.07.2017


(S.C. Kishore)
Partner
M.No. 003390