

## Independent Auditor's Report to the Members of India Tourism Development Corporation Limited, New Delhi

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **INDIA TOURISM DEVELOPMENT CORPORATION LIMITED, New Delhi**, which comprise the Balance Sheet as at March 31, 2018 and Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Change in Equity for the year then ended and a summary of Significant Accounting Policies and other explanatory information in which are incorporated the returns of 38 branches for the year ended on that date audited by the Branch Auditors of the Company's branches at locations as per Exhibit A.

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the Matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 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 standalone Ind AS 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 standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of Affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income), its cash flows and changes in the equity for the year ended on that date.

### Emphasis of Matter

Attention is drawn to the Notes to the Financial Statements :

- a) That on account of non-finalization of the issue of compensation payable to the Company for loss of business

*opportunity arising due to the decision of the Government of India for closer of operation of the Hotel Janpath, New Delhi, w.e.f. from 30.10.2017 and handing over the property to the Ministry of Urban Development, the sum of ₹ 585.74 lakh paid to the employees who opted for VRS, is being shown as recoverable from the Government as on 31.03.2018. Our opinion is not qualified in respect of this matter. [Refer Point no. 1 of Note no. 13 & Point no. 10 (c) of Note no. 39-General Notes to the financial statements]*

- b) *The impact of loss/shortage/wastage due to non-reconciliation of the results of physical verification carried out for fixed assets with the books of accounts on the financial statements of the Company remains indeterminate. Our opinion is not qualified in respect of this matter. [Refer Point no. (g) of Note no. 2 to the financial statements]*
- c) *Balances in trade receivables, loans and advances, deposits, trade payables and sundry creditors are subject to independent confirmation. Our opinion is not qualified in respect of this matter. [Refer Point no. 1 of Note no. 39-General Notes to the financial statements]*
- d) *In the case of Vigyan Bhawan Unit, contract agreement with the Directorate of Estates to provide catering services expired on 17.11.2015 and the Unit is operating without any formal agreement since then. The renewal process is going on and as per the correspondence on file, the agreement will be*

- extended upto 30th November 2018. Our opinion is not qualified in respect of this matter. [Refer Point no. 2 of Note no. 27 to the financial statements]
- e) For Hyderabad House, New Delhi, the Unit continues providing management services under an agreement with the Ministry of External Affairs, Govt. of India, which had expired on 31.03.2017. The renewal process is going on and as per the correspondence on file, the agreement will be extended upto 31st March, 2020. Our opinion is not qualified in respect of this matter. [Refer Point no. 3 of Note no. 27 to the financial statements]
- f) An amount of ₹ 113.82 lakh is being shown as 'Customers at Credit' under Note-26 "Other Current Liabilities", but in the financial statements not adjusted/linked with the corresponding trade receivable under Note-08 "Trade Receivable". Our opinion is not qualified in respect of this matter. [Refer Note no. 26 to the financial statements]
- g) The Ashok Hotel, Vigyan Bhawan, Lalita Mahal Palace Hotel & Head Quarter recognized "Provision for Doubtful Debts" amounting to ₹ 620.04 lakh (out of total provision of ₹ 4760.36 lakh for trade receivables more than six months old) as on 31st March, 2018 against its debts of equal amount by showing them as receivable for sufficiently long period of time instead of writing them off from the books of accounts as the recovery of which is not evidenced by the records available. Our opinion is not qualified in respect of this matter. [Refer Note no. 8 to the financial statements]
- h) The Company has recognized "Provision for amount recoverable - sales tax" amounting to ₹ 7.88 lakh as on 31st March, 2018 against the recoverable of equal amount by showing them as receivable for sufficiently long period of time instead of writing off from the books of accounts the recovery of which is not evidenced by the records available. Our opinion is not qualified in respect of this matter. [Refer Point no. 1 of Note no. 6 to the financial statements]
- i) The consumption of stock of stores, crockery, cutlery etc., has been worked out by the Company by adding to the opening balances purchases made during the year and deducting there-from the closing balance at the year-end based on physical inventories valued as per the accounting policy. Accordingly, separate impact of loss/shortage/wastage included in the consumption thereof in the financial statements of the Company remains indeterminate. Our opinion is not qualified in respect of this matter. [Refer Point no. 3 of Note no. 39-General Notes to the financial statements]
- j) The Ashok Hotel Unit has recognized ₹16.90 lakh as inventory of liquor at leased out restaurant viz. "Capitol" on the basis of their records; however, the actual realizable amount is not ascertainable since the restaurant has been sealed by the State Excise Department. Our opinion is not qualified in respect of this matter. [Refer Point no. 2 of Note no.7 to the financial statements]
- k) In Ashok Consultancy and Engineering Services Unit out of 100 projects, 71 projects were completed long back but not closed in the books of accounts as final bills were reportedly not received/settled. Reconciliation exercise is expected to be completed by October 2018. Thereafter balances will be squared up/adjusted after approval by higher authorities. Our opinion is not qualified in respect of this matter. [Refer Point no. 14 of Note no. 39 to the financial statements]
- l) At Ashok International Trade Division the sum of ₹ 161 lakh paid in the year 2006-07 as security deposit in the form of fixed deposit (FD) receipt in favour of Delhi International Airport Pvt. Ltd. (DIAL) is being shown as recoverable. Its FD was encashed during 2007-08 by DIAL on account of service- tax charged by DIAL in billing of services provided to the Company. This is being disputed by the Company on the ground that their service was not liable for service-tax and they are hopeful of its recovery. Our opinion is not qualified in respect of this matter. [Refer Note no. 4 to the financial statements]
- m) In the case of Duty Free Shops at Seaport inventories are valued at cost which does not include other costs such as C&F cost, freights etc., for bringing the inventories to current location and condition as per Ind AS-2. Our opinion is not qualified in respect of this matter. [Refer Point no. 1 of Note No.-07 to the financial statements]
- n) In the case of Units Taj Restaurant and Kosi-Tourist complex, VAT and Service- tax returns are not reconciled with financial books as on 31/03/2018, for Taj Restaurant the service tax amount refundable is ₹ 0.81 lakh and of Kosi-Tourist complex Service tax paid in advance is ₹ 3.42 lakh and sales tax paid in advance of ₹ 0.04 lakh due to which the correct profitability of the units remain unascertain. Our opinion is not qualified in respect of this matter. [Refer Point no. 4 of Note no. 13 to the financial statements].

#### Other Matter

- a. The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by us and our report for the year ended 31st March 2017 and 31st March 2016 dated 19th July 2017 (date of revised audit report) and 30th May 2016 (read with addendum dated 19th July 2016) respectively expressed an unmodified opinion and qualified opinion respectively on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.
- b. We did not audit the financial statements/information of 38 branches included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹ 20,537.80 lakh as

at 31st March, 2018 and total revenue of ₹ 16,645.57 lakh for the year ended on that date, as considered in the standalone Ind AS 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 amounts and disclosures included in respect of these branches, is based solely on the report of such branch Auditors and accompanying financial statements.

Our opinion is not modified in respect of these Matters

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the 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 we considered appropriate 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 and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- (c) The reports on the accounts of branch offices/ units of the Company audited under Section 143 (8) of the Act by the branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;
- (d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity 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 standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
- (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 Companies Act, 2013, 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 38 to the standalone Ind AS financial statements;

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii) No amount required to be transferred to the Investor Education and Protection Fund was outstanding at the year.

For Kishore & Kishore  
Chartered Accountants  
(FRN. No. 000291N)

Place: New Delhi  
Date: 30.05.2018

Anshu Gupta  
(Partner)  
Membership No.077891

## “Annexure A” to Independent Auditor’s Report for the year ended 31.03.2018

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 2018, 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 following units/branches where records were incomplete in respect of quantitative details, situation, etc.:*

S. No.	Name of the Unit/Branch
1.	DFS Tuticorin Seaport
2.	Hotel Samrat
3.	DFS Krishnapatnam
4.	DFS CPT Seaport
5.	DFS Kakinada
6.	Western court
7.	Hotel Kalinga Ashok
8.	ATT Chennai
9.	DFS Vishakhapatnam
10.	Taj Restaurant
11.	Kosi Restaurant
12.	Hotel The Ashok, New Delhi
13.	Vigyan Bhawan

- (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 respect of land of Ashok Hotels Ltd. is registered in the name of Ashok Hotel Limited erstwhile, which was merged with the Company on 28.03.1970 and not being transferred in the name of the Company. The total area of leasehold land is 21.155 acres.
2	Hotel Jammu Ashok, Jammu	Lease deed expired on 11.01.2010. The total area of lease hold is 60 Kanals & 4 marlas.

- 3 Hotel Patliputra Ashok, Patna Company 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 Hotel Samrat, New Delhi Title deed of leasehold land of the unit is not executed. Area involved is 4.01 acre.
- 6 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. *In case of following units/branch Auditors have reported that physical verification report was not available for verification:*

S. No.	Name of the Unit/Branch
1.	Hotel Samrat
2.	ATT Delhi
3.	Ashok Events
4.	Hotel Janpath
5.	Western Court
6.	ACES

7.	AIHTM
8.	DFS Delhi
9.	Vigyan Bhawan

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 (₹ in lakh)	Period to which the Amount Relates
Hotel Samrat	TDS demand	4.60	2007-2018
Hotel Kalinga Ashok	Lease Rent of Land Payable to Govt.	0.195	Earlier years
	Works Contract Tax	0.798	2016-17
	Works Contract Tax	0.0288	2015-16
	Works Contract Tax	0.019	2017-18
	Labour Cess	0.0048	2015-16
	Labour Cess	0.0122	2016-17
	Service-Tax	0.30362	2017-18
	TDS	0.0059	2017-18
AIHTM	TDS	0.087	2016-17
Hyderabad House	ESI	1.72	More than 6 months
VigyanBhawan	ESI	4.78	More than 6 months

(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 any dispute:*

Name of the Unit	Nature of Dues	Amount (₹ 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	105.92	2008-09 to 2012-13	Commissioner Appeals, GST, Bhubaneswar
AITD	Custom Duty (Demand for	18478.67	2004-05	Custom Assistant Commissioner

DPS Mumbai)	Custom Duty (Demand for DFS Kolkatta)	42.17	2003	Commissioner of Customs
	Sales Tax/VAT	1343.96	1995-2008	Joint Commissioner
	TDS	8.15	2007-12	Assistant Commissioner
Hotel Patliputra Ashok	ESI	0.67	Earlier Years	ESI Labour Court
	VAT	3.09	Earlier Years	Bihar VAT Department
Hotel Samrat	ESI	71.68**	1998-2003	Delhi High Court
Hotel Ashok	ESI	708.52	Earlier Years	In process of appeal to High Court
	Service Tax	23.95	Earlier Years	CESTAT, Delhi
Ashok Events	Service-Tax	39.65	2006-2009	Commissioner of Service Tax appeals
	TDS	7.24	2007-2017	CPC/Income Tax Department
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	2.54	2010-11 to 2011-12	CESTAT, Bangalore
	Service Tax	3.60	2012-13 and 2013-14	CESTAT, Bangalore
	Service Tax	1.84	2014-15	CESTAT, Bangalore
ACES	TDS	8.19	2014-15 to 2017-18	CPC
Hotel Janpath	TDS	21.56	2007-2008 to 2011-12, 2017-18	CPC
ATT Delhi	TDS	5.72	2007-08 to 2016-17	CPC

\*\*Unit has provided liability of ₹ 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 except in case of *Unit - Hotel Patliputra Ashok where a theft of ₹ 2.88 lakh has been taken place on 11.02.2018 by one of contractual staff named Deepak kumar deployed by manpower supply agency "Service Master Clean" having employee code PSW001035. FIR has been lodged against him with FIR No. 89/18.*
- 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)

(Anshu Gupta)

Partner

M.No. 077891

Place: New Delhi

Date: 30.05.2018

## “Annexure B” to Independent Auditor’s Report for the year ended 31.03.2018

The Annexure 'B' 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 2018, we report on the directions/sub-directions given by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013:

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.	<p>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:</p> <table border="1"> <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 is respect of land of Hotel Ashok is registered in the name of Ashok Hotel Limited erstwhile, which was merged with the Company on 28.03.1970 and not being transferred in the name of the Company. 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 Ashok, Jammu</td> <td>Lease deed expired on 11.01.2010. The total area of lease hold is 60 Kanals &amp; 4 Marlas.</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</td> </tr> </tbody> </table>	S.No	Unit Name	Remarks	1.	The Ashok	Lease deed is respect of land of Hotel Ashok is registered in the name of Ashok Hotel Limited erstwhile, which was merged with the Company on 28.03.1970 and not being transferred in the name of the Company. 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 Ashok, Jammu	Lease deed expired on 11.01.2010. The total area of lease hold is 60 Kanals & 4 Marlas.	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
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		<p>6. Taj Restaurant deed was seized by CBI in a complaint case no. RC-10(A)/2013-CBI-ACB-DLI Title deed in favour of the Company has not been effected nor information as to the area of the property made available to us.</p>												
2.	Whether there are any cases of waiver/write off of debts/loans/ interest etc. If yes, the reasons therefore and the amount involved.	<p>During the course of audit write off of debts made by the Company are as follows:</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Unit Name</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Western Court</td> <td>The Unit has written off bad debts (old balance detail is not available) amounting to ₹ 0.06 lakh.</td> </tr> <tr> <td>2.</td> <td>The Ashok</td> <td>The Unit has written off bad-debts amounting to ₹ 54.69 lakh during the year ended 31st March 2018. 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 ₹ 54.69 lakh which was duly approved by the competent authority.</td> </tr> <tr> <td>3.</td> <td>ATT-Delhi</td> <td>Debts which are more than 5 years old and are not recoverable have been written off as per</td> </tr> </tbody> </table>	S.No.	Unit Name	Remarks	1.	Western Court	The Unit has written off bad debts (old balance detail is not available) amounting to ₹ 0.06 lakh.	2.	The Ashok	The Unit has written off bad-debts amounting to ₹ 54.69 lakh during the year ended 31st March 2018. 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 ₹ 54.69 lakh which was duly approved by the competent authority.	3.	ATT-Delhi	Debts which are more than 5 years old and are not recoverable have been written off as per
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3.	ATT-Delhi	Debts which are more than 5 years old and are not recoverable have been written off as per												

S. No.	Direction/Sub-directions	Comments
		the recommendation of the committee constituted for this purpose and subsequent approval of the competent authority. The financial implication in this regard is to the tune of ₹ 18.16 lakh (9 parties in all) and the individuals cases of these 9 parties are less than ₹ 0.40 lakh- in each which falls in the DOP of General Manager of the unit.
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 assets were received as gifts/grants(s) from Govt. or other authorities except in cases of the Hotel The Ashok and Hotel Samrat, New Delhi. The inventory of wine, beer and beverages is lying with the leased out restaurants for which proper records are maintained by these Units/branches, except in case of Hotel The Ashok for one leased out restaurant viz. M/s. Prerna Marketing -Capitol where liquor has been sealed and seized by the excise department and the actual value and quantity of the inventory seized is not ascertainable. However, the Unit, Hotel The Ashok, has recorded the inventory amounting to ₹ 16.90 lakh of Capitol restaurant in the books of accounts as per the records available with them.

For Kishore & Kishore  
Chartered Accountants  
Firm Regn. No. : 000291N  
(Anshu Gupta)  
Partner  
M.No. 077891

Place: New Delhi  
Date: 30.05.2018

### “Annexure C” to Independent Auditor’s Report of even date on Standalone IND AS 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, 2018, in conjunction with our audit of the standalone Ind AS 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.

#### Auditor’s 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, 2018, 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

(Anshu Gupta)  
Partner  
M.No. 077891

Place: New Delhi  
Date: 30.05.2018

EXHIBIT- A

### DETAILS OF LOCATION OF THE COMPANY'S UNITS NOT AUDITED BY US

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 Marg, Chankyapuri, New Delhi-1100021.
3	Hotel Janpath, New Delhi	Janpath, New Delhi-110 001.
4	Western Court, New Delhi	Janpath, New Delhi-110 001.
5	Ashok Travels & Tours, New Delhi	Scope Complex, Core-8, Lodi Road, New Delhi-110003.
6	Bharatpur Forest Lodge	Bharatpur-321001, Rajasthan
7	Ashok Events, New Delhi	Hotel Ashok, 50-B, Chankyapuri, New Delhi-110 021.
8	Ashok International Trade Division, New Delhi	Scope Complex, Core-8, Lodi Road, New Delhi-110003.
9	Ashok Institute of Hospitality & Tourism Management, New Delhi	C-12A, Qutab Institutional Area, New Delhi-110 016.
10	Ashok Consultancy & Engg. Services Division (ACES), New Delhi	Scope Complex, Core-8, Lodi Road, New Delhi-110003.
11	Hotel Jammu Ashok, Jammu	Opp. Amar Mahal, P. Box No.60, Jammu Tawi-180 001. (J&K)
12	Hotel Patliputra Ashok, Patna	Beer Chand Patel Path, Patna-800 001.
13	Lalitha Mahal Palace Hotel, Mysore	Mysore-570 011 Karnataka.
14	Hotel Kalinga Ashok, Bhubaneswar	Gautam Nagar, Bhubaneswar-751014
15	Taj Restaurant, Agra	Taj Ganj, Near Taj Mahal, Agra, U.P.
16	Kosi Restaurant, Kosi	Kosikalan, Kosi, U.P.
17	ATT, Kolkata	3G Everest Building, 46 C, Jawaharlal Nehru Road, Kolkata-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 Brahmputra Ashok, MG Road, Guwahati - 781001
22	DFS-Port Kolkata	N S Dock, Kolkata Port Trust, Kolkata
23	DFS-Port Haldia	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, Bengaluru	No.33, Swiss Complex, Race Course Road, Bengaluru
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-Chennai Port	1st Floor, Cruise Passenger Terminal, West Quay- IV, Chennai Port Trust, Chennai - 600001
29	DFS-Kakinada	Kakinada Deep Water Sea Port, Kakinada
30	DFS-Vishakhapatnam	EQ-3 & EQ-4, Main Gate, Docks Area, Vishakhapatnam Port Trust, Vishakhapatnam - 530035