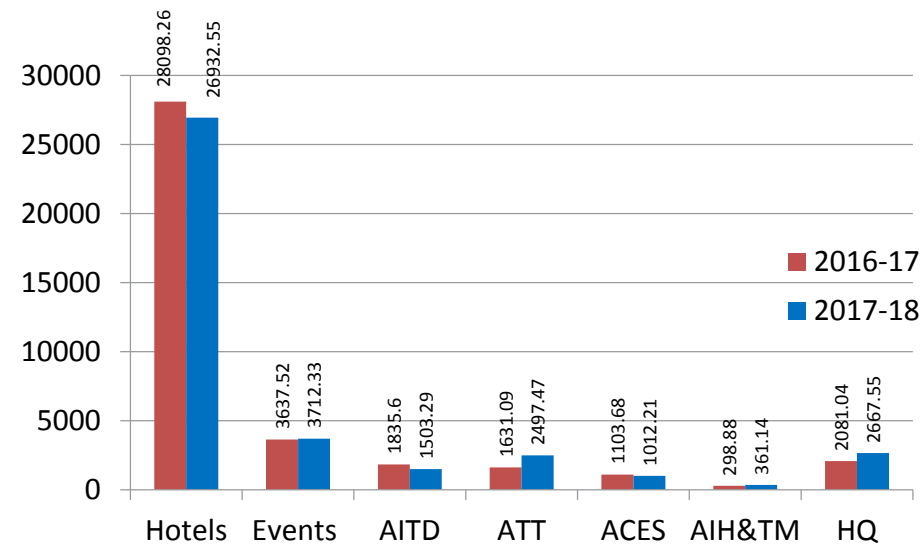
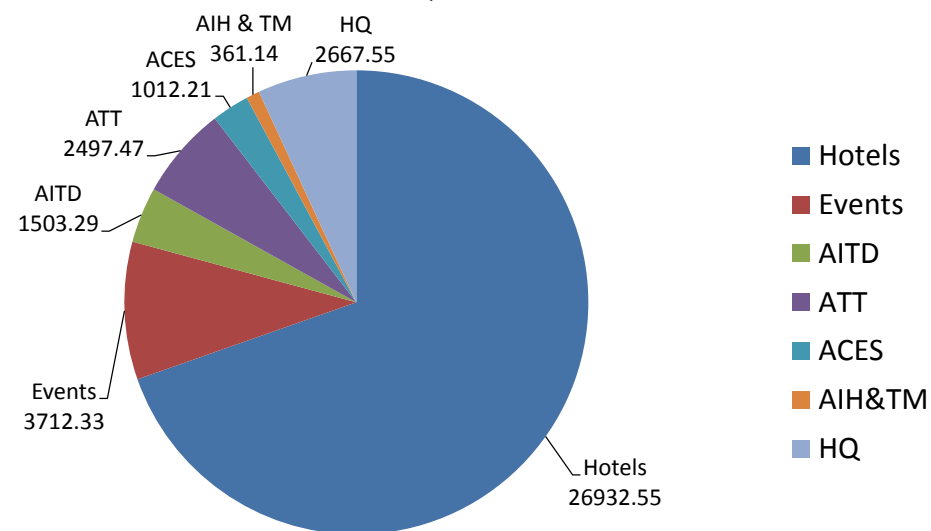


## Performance Highlights 2017-18

### Divisional Performance as on March 2018 (₹ in lakh)



### Divisional Performance for the Year 2017-18 (₹ in lakh)



Annexure-I

## Management Discussion and Analysis Report

### Global and Indian Scenario

After reaching 3.1 percent growth in both 2017 and 2018, global growth is expected to moderate over the next two years. Against this India's growth rate for 2017-18 is 6.7%, a notch above the Government's own estimate of 6.6% but lower than the 7.1% of 2016-17.

Foreign Tourist Arrivals (FTAs) during 2017 were 10.18 million with a growth of 15.6% over same period of the previous year. During 2016, FTAs were 8.8 million with a growth rate of 9.7%

Ministry of Tourism, Govt. of India has taken a number of initiatives of identifying, diversifying, developing and promoting niche tourism products of the country like Cruise, Adventure, Medical, Wellness, Golf, Polo, Meetings Incentives Conferences & Exhibitions (MICE), Eco Tourism, Film Tourism etc. Ministry of Tourism is according priority for holistic development of tourism destinations into world class destinations using a cluster approach including development of infrastructure, amenities, interpretation centres and skill development by achieving synergy and convergence with other Central Ministries, State Governments and Industry Stakeholders. As a result of these initiatives, growth has been registered in both FTAs as well as in the Domestic Tourism. This offers a great business potential to Travel, Tour and Hospitality industry.

ITDC is to act as respected, preferred and leading "one stop solution provider" in the Hospitality, Travel and Tourism sector and achieve higher return on investment for

its shareholders while contributing towards fulfilling the overall objective of development, promotion and expansion of domestic as well as international tourism in the country for all sectors of the society.

### Accolades and awards won by ITDC during and for the year 2017-18

- ITDC was awarded the Global Star Awards 2018 for "Most diversified organization in Travel & Tourism" for the year 2017
- The Ashok, New Delhi was awarded as 'Best Hotel Based Meeting Venue' at National Tourism Award 2015-16 held in September, 2017.
- The Ashok, New Delhi was awarded as 'Best MICE & Host Hotel' at the 13th Annual International Hospitality & Travel Awards 2017.
- The Ashok, New Delhi was awarded as 'Best MICE Hotel 2017' at Safari India South Asia Award.
- The Ashok, New Delhi was awarded "KAUSTUBH" - Best MICE Hotel - North India by Trav Tour.

### Professionals of The Ashok Group of Hotels have been accredited with various awards

- Executive Chef Arvind Rai won the National Tourism Award 2015-16 for "Best Chef" in 4 to 5 star deluxe, Heritage Classic Grand Category Hotels.
- The Ashok participated in the 14th Edition of Annual Chef Awards 2017 organized by ICF. The Chefs and Cooks from The Ashok bagged the awards as below:-

- Kitchen Artist of the Year Award won by Chef Jitender
- Master Chef North Indian Cuisine Award won by Shri Baij Nath
- Hospitality Achievers Award presented 'The Best Chef 2017' to Executive Chef Arvind Raj, The Ashok
- AHP Hospitality Challenge 2017 organized at Banarsidas Chandiwala Institute, July 2017
- Silver Medal in Kebabs Category by Cook Dinesh Ram, Hotel Samrat
- The Ashok participated in the Culinary Art Competition organized by Indian Culinary Forum during 33rd AAHAR International Food & Hospitality Fair 2018. The Chefs and Cooks from The Ashok bagged the awards as mentioned below:-
  - Gold Medal in Fruit & Vegetable Carving by Chef Jitender
  - Silver Medal in Innovative Rice Preparation by Cook Mohit Yadav from Continental cuisine section
  - Bronze Medal in Contemporary Sushi Platter by Chef Vikram Shokeen
  - Merit Certificate in Authentic Indian Regional Cuisine by Chef Prajit P. Kumar
- The Resident Manager of The Ashok won the award for best Hospitality Professional at the 13th Annual International Hospitality & Travel Awards 2017.
- The Food & Beverage Manager of The Ashok won the award for best

MICE Professional at the 13th Annual International Hospitality & Travel Awards 2017

- The Food & Beverage Manager of The Ashok won the award for best MICE Professional 2017 at Safari India South Asia Award
- Hospitality Achievers Award presented The Best Hotel Engineer 2017 to Shri Suresh Chandra

Segment wise performance including financial performance with respect to operational performance

#### A. Hotels Division

During the financial year 2016-17, the Corporation operated 8 hotels, however during the financial year 2017-18 the Corporation operated only 6 hotels. Two hotels i.e. Hotel Janpath, New Delhi and Hotel Jaipur Ashok, Jaipur have been disinvested during the year 2017-18.

**The chefs of The Ashok Group participated in Indian Food festivals across the globe in different countries** including Turkmenistan, Cuba, Vietnam, Lao PDR, Santo Domingo, Mexico, Columbia, Fiji, Bangkok & Pattaya, Cyprus, Italy, Darussalam and earned accolades. Shri Ravi Shankar Aisola, Ambassador, Embassy of India, Vientiane, Lao PDR and other dignitaries enjoyed the delicacies & personally appreciated Chef Jitender for the success of food festival organized on the occasion of 70th Anniversary of India's Independence as well as 25th Anniversary of Indo-ASEAN relations.

To celebrate important events such as 51st Foundation Day of ITDC and Paryatan Parv organised by the Ministry of Tourism (MoT), Gol, ITDC hotels organized various Food Festivals

and promotions in the hotels of Ashok Group to exhibit the richness of the cuisines of our country and to display the fineries of gastronomy. Some of these were:

- Steal-a-Deal, Ramzan-ul-Mubarak, Rakhi & Independence Day Special, Navratra Thali, World Tourism Day, Wheel-o-Fortune, Down the Memory Lane, Special Sunday Brunch, Children's Day Special, Christmas Treat, New Year Eve celebration, Valentine's Week, Women's Day Special are some of the promotions done at The Ashok, New Delhi
- Awadhi, Dhabe-da-Punjab, Coastal Food Festival promotion at Hotel Kalinga Ashok, Bhubaneswar
- Sizzler Festival, Dogri & other cuisines Food Festival at Hotel Jammu Ashok, Jammu
- Karnataka Food Festival at LMPH-Mysore

#### The Ashok, New Delhi

Hotels of The Ashok Group continued to host important events, conventions as well as special short term festivals. VVIP venues like **Hyderabad House** and **Vigyan Bhawan** hosted important conferences/ prestigious events for various Ministries and other Government Bodies. **The Ashok, New Delhi** has also been a host to various prestigious national and international conferences.

The team of The Ashok, New Delhi contributed to the culinary success of various conferences, events and functions at the hotel, hosted/attended by various dignitaries and who's who of the country. The hotel has taken pride and been a host to many important conferences.

**The Ashok & MoW&CD felicitate First Ladies** - the exceptional women who transcended barriers to be the First in their fields. The Ashok hotel welcomed Ms. Deepa Malik, renowned Para Olympics winner and Ms. Aishwarya Rai Bachchan, Indian actress & Miss World 1994. Ms. Aishwarya Rai Bachchan appreciated the hospitality extended by team The Ashok during her visit.

**Delhi Doordarshan (DD National) did Cookery show "Wah Kya Taste Hai", Exclusive Series with Chefs of The Ashok.** Chefs presented their best recipes. Event/program Shoot done by Delhi Doordarshan (DD) in The Oudh for 4 days. DD team appreciated the hospitality of entire team of The Ashok.

The Ashok, New Delhi organized various cultural events namely 'Festival of Humanity' by Super Sikh Foundation, 'Sada-e-Sufi' a live Sufi concert, 'International Ancient Arts Festival' by Rays of Wisdom, "Gulaab Bari' by Parangat Prayag Kala Kendra" in the Amphitheatre.

To enhance the experience, guest rooms including suites of **The Ashok, New Delhi** have been renovated. As a measure to conserve electricity and save environment, cooling towers, transformers, air conditioning plants, boilers, air handling units are getting replaced. ISO Certification was successfully maintained.

**Hotel Samrat, New Delhi** was host to many important groups like Cardiology Society of Delhi, IFS officials & probationers, Sangeet Natak Academy, Coal India, Naval Officers, UPSC officials, IPS groups, ISRO, Ghana High Commission, RIS Groups, Min. of Statistics, Min. of HRD, Directorate General of Mines Safety Group etc. The unit had also been associated with many organisations like Ministry of Rural

Development, Burn Standard Co. Ltd, Booking.com, HAL, Himalayan Run & Trek, etc.

A new International cuisine restaurant at Hotel Samrat, has opened its doors to its esteemed guests. Swimming pool has been renovated and is operational. Lobby, tea lounge, guest room corridors, upholstery of guest rooms have been upgraded. New butchery has been designed as per ISO standards. Also ISO-22000:2005 audit renewal is being done. Replacement of Air handling units, transformers, elevators are in process and near completion. Upgradation of fountains is being done with RGB lighting.

The culinary team of Hotel Samrat contributed to lip smacking experience for its distinguished guests attending conferences and other social functions. Packed Thali of Hotel Samrat has become very popular.

**Hyderabad House, New Delhi**, catered to 327 prestigious events at Hyderabad House (101), Prime Minister House (63), Jawaharlal Nehru Bhawan (122) and PBK (41) hosted by Hon'ble Prime Minister of India, Hon'ble Minister of External Affairs and others including NSA, FS, MOSs to visiting dignitaries like:

- Hon'ble Presidents of: Turkey, Palestine, European Union, Afghanistan, Vietnam, France, Nauru, Sri Lanka, Cyprus, India
- Hon'ble Prime Ministers of: Malaysia, Bangladesh, Australia, Mauritius, Nepal, Switzerland, Belarus, Italy, Latvia, Armenia, Sri Lanka, Israel, Myanmar, Thailand, Singapore, Lao PDR, Cambodia, Iran, Canada, Jordan, Tuvalu, Vanuatu
- King of Belgium
- Prince of UK

- Sultan of Brunei
- Vice President of Niger, Equatorial Guinea
- Vice Prime Minister of Chad
- Former President of USA, Afghanistan

The ISO certification surveillance audit of Hyderabad House was successfully completed in June, 2017.

**Vigyan Bhawan, New Delhi** catered to many important national and international conferences. The conferences were attended by Hon'ble President, Hon'ble Vice-President, Hon'ble Prime Minister of India and heads of states of various countries. To name a few, it hosted National Tourism Awards, World Food India organized by Ministry of Food Processing Industry, ICMM World Congress by Min. of Defence, National Film fare Awards organised by Min. of I&B among others.

**Hotel Jammu Ashok, Jammu** remained popular with social functions & ceremonies. The hotel hosted film stars, artists, residential conferences and mega events in the hotel. The culinary team of the hotel also organized food festivals. ISO/FSSAI Certification was successfully done.

**Hotel Kalinga Ashok, Bhubaneswar** remained a venue of choice for various conferences and events for Sahitya Akademi, OTDC, Odisha Bigyan Academy, National School of Drama, Delhi Institute of Heritage Research & Management, B2B Hospitality and many others

**Hotel Patliputra Ashok, Patna**, had been a host to many successful conferences, events and social functions throughout the year including Global Orthopaedic conference, Ophthalmologic society, UNICEF, Indian Red Cross Society, IIT, Asian Heart Institute, Oxfam and other The culinary team of the hotel also

celebrated New Year Eve and other events successfully.

During the financial year 2017-18, two hotels i.e. Hotel Janpath, New Delhi and Hotel Jaipur Ashok, Jaipur which have been closed/ disinvested, had impacted the turnover and profitability of the Division. Hotels Division has achieved a turnover of ₹ 269.33 crore during the year 2017-18 as against ₹ 280.98 crore in the previous year 2016-17 and earned the net profit of ₹ 1.45 crore during 2017-18 as against the net profit of ₹ 33.66 crore in the previous year 2016-17.

#### B. Ashok Events Division

Ashok Events- a strategic business unit of ITDC, is a leading event management agency handling Conferences, Exhibitions, Workshops/ Seminars and other National and international events. Ashok Events' core competence is providing one stop solutions as a Professional Event Organiser for the entire gamut of services.

With the help of in-house design and print expertise, it also provides printing services. The company has made a mark in Event Management in a big way and with its rich expertise, it has an illustrious client list comprising Government Ministries, Departments, Autonomous Bodies and Authorities.

Ashok Events is the designated agency of Ministry of Tourism for handling Conferences, Workshops, Conclaves, Award Ceremonies and other events of National importance.

The Ashok Events Division handled/ managed more than 90 major events which include:

Civil Services Day 2017 where Hon'ble Prime Minister of India was the Chief Guest; Incredible India Pavilion of Ministry of Tourism

at Textile Exhibition 2017 at Gandhinagar, Gujarat; State Chief Secretaries Conference where Hon'ble Prime Minister of India was the Chief Guest; Launch of SWAYAM (Ministry of HRD) by Hon'ble President of India; Champions of Change Conferences organised by NITI Aayog, Hon'ble Prime Minister of India was the Chief Guest; National Workshop on Enforcement of IPR by DIPP; Rajasva Gyan Sangam Conference, Hon'ble Prime Minister of India was the Chief Guest; Incredible India Pavilion of Ministry of Tourism at "North East Calling" (Ministry of DONER), Hastkala; Sankul Inauguration at Varanasi, Hon'ble Prime Minister of India was the Chief Guest; National Tourism Awards 2015-16 by Ministry of Tourism, Hon'ble President of India was the Chief Guest; Swachh Bharat Diwas by Ministry of DW&S, Hon'ble Prime Minister of India was the Chief Guest; International Conference on Yoga (Ministry of AYUSH), Hon'ble Vice President of India was the Chief Guest; Paryatan Parv (5th - 25th October) by Ministry of Tourism, closing Ceremony at India Gate Lawns (23rd - 25th October 2017); Ease of Doing Business Conference by DIPP, Hon'ble Prime Minister of India was the Chief Guest; National Law Day 2017, Chief Guest (Inauguration) – Hon'ble President of India, Chief Guest(Valedictory) – Hon'ble Prime Minister of India; Aadi Mahotsav celebrations by TRIFED(Ministry of Tribal Affairs) inaugurated by the Hon'ble Vice President of India; International Travel Mart 2017 by Ministry of Tourism at Guwahati, Hon'ble Minister of State (Independent Charge) for Tourism and Hon'ble Chief Minister of Assam were the Chief Guests; Kala Utsav by NCERT at Bhopal, "Collectors – The Change Agents Transforming Backward Districts" Event organized by NITI



Aayog, Hon'ble Prime Minister of India was the Chief Guest; "National Awards for First Ladies" by Ministry of Women & Child Development, Bharat Parv by Ministry of Tourism at Red Fort Lawns (26th-31st. January,2018); India Pavilion at World Urban Forum at Kuala Lumpur, Malaysia by Ministry of Housing & Urban Affairs(HUDCO); Prime Minister Shram Awards Function by Ministry of Labour, Hon'ble Vice President of India was the Chief Guest;, ICN-2018 Annual Conference by Competition Commission of India.

The Print and Production Department of Ashok Events too handled important assignments for its clients namely NITI Aayog, Ministry of Tourism, Department of Administrative Reforms and Public Grievances etc.

Through its Event Management activities Ashok Events also generates business for other verticals of ITDC including Hotels and Travels & Tours.

The turnover of the Ashok Events Division increased to ₹ 37.12 crore during 2017-18 (previous year ₹ 36.38 crore) and has earned a Profit of ₹ 4.91 crore during 2017-18 as against net profit of ₹ 6.07 crore last year.

### C. Ashok International Trade Division

AITD Business as on date is as under:

a) Number of Operational Duty Free Shops at Seaports

1. Kolkata Seaport
2. Haldia Seaport
3. Chennai Seaport
4. Goa Seaport
5. New Mangalore Seaport
6. Vizag Seaport
7. Mumbai Seaport
8. Paradip Seaport

9. Kakinada Seaport
  10. Krishnapatnam Seaport
  11. Cochin Seaport
  12. Tuticorin Seaport
- b) Number of Duty Free Shops which have commenced operations during the current year:
1. Cochin Seaport
  2. Tuticorin Seaport
- c) Number of Duty Free Shops expected to start operation during the coming year:
1. Ennore Seaport

The civil and electric work at Ennore Seaport is almost completed. We are completing the required formalities of the Customs and Excise for earliest commencement of operations at this location.

### Division's Future Plan:

After successfully operating DFSs at Seaports such as Chennai, Mangalore, Kolkata, Haldia, Paradip, Mumbai, Goa, Division expanded further to Kakinada, Krishnapatnam, Cochin, Tuticorin Seaport. The Division is now targeting the remaining major seaports i.e. Kandla and JNPT etc for earliest commencement of operations.

We have received offer letter from Kandla Seaport and have taken over the possession of offered site and proceeding towards construction and commencing of this shop at the earliest.

With all the major airport retail operations in India having been bagged by major International players, ITDC is aiming for airports in the tier II cities in the country, as the international passenger flow has increased at these airports also.

The turnover of AIT Division was ₹ 15.03 crore during 2017-18 against ₹ 18.36 crore in the previous year 2016-17. The AIT division has

earned Net Profit of ₹ 0.56 crore during 2017-18 as compared to Net Profit of ₹ 3.32 crore in the previous year 2016-17.

### D. Ashok Travels and Tours Division

Ashok Travels and Tours, the in-house Travel Division of ITDC has been providing all Travel related services like Air Ticketing/ Car Rentals / Hotel Bookings / Tour Packages/ LTC Packages etc to various Ministries, Government Departments, public sector, Government schools and also to general public for last 46 years.

Recently, ATT also ventured into Cargo operations and has already handled some important and sensitive Cargo through Sea, Air and Surface successfully.

The industry is seeing a shift from offline to online. Hence, in order to cater to niche segments, ATT has signed MoUs with CGDA and CISF to customize a digital B2B platform to cater to their official travel needs. More departments will be approached to provide similar service to them, which will not only add to Volumes and margins but will also help further rationalize manpower costs.

In view of growing industry demand for specific travel products and better margins, greater focus will be provided to Tours and Transport businesses.

It is envisaged that to secure long term transport contracts as well as to have a larger footprint in the ever growing transport industry, own fleet of vehicles will need to be supplemented.

The turnover of ATT Division has increased to ₹ 24.97 crore (Ind AS) during 2017-18 from ₹ 16.31 crore (Ind AS) in the previous year during 2016-17 an increase by 53.1 %.The ATT Division

has earned a profit of ₹ 2.22 crore during 2017-18 as against the Net Loss of ₹ 18.18 crore in the previous year 2016-17.

### E. Ashok Institute of Hospitality & Tourism Management

Ashok Institute of Hospitality & Tourism Management (AIH&TM) is the Human Resource Development Division of India Tourism Development Corporation Ltd. The institute came into existence in 1971 for in-house training of staff and executives in ITDC hotels.

Skill development in Hospitality sector is a major need of the Nation. Due to the wide gap between the availability and requirement of skilled manpower, the focus of AIH&TM is towards reducing the gap between demand and supply and providing skilled manpower to the Hospitality industry through the various training programmes of MoT, in accordance with Skill India Mission of Hon'ble Prime Minister.

ITDC has set up a Centre of Excellence and Hospitality Education at Hotel Samrat, New Delhi. AIH&TM Centre of Excellence affiliated with National Council for Hotel Management and Technology commenced the academic session from 2015-16.

AIH&TM is presently providing Education & Training Consultancy in Tourism & Hospitality Management besides providing training to Apprentices, and Industrial Trainees from Institute of Hotel Management and other reputed institutes and also organizing in-house Executive Development Programme for ITDC's Executives. As part of business strategy, AIH&TM conducted following programme/courses:

- (a) Skill development training in F&B

- services, Housekeeping Utility, Bakery and Patisserie and Food Production for youth under the Hunar se Rozgar scheme of Ministry of Tourism, Govt of India.
- (b) 06 days Skill Testing & Certification scheme sponsored by Ministry of Tourism for persons employed in hospitality industry for organizations. AIH&TM conducted STC for various reputed organizations viz. CISF, ITBP, Ashok Hotel, Hyderabad house and Hotel Holiday Regency, Moradabad.
- (c) Imparting on-the-job training to Industrial Trainees from various professional Hospitality Institutes in the country.
- (d) Designing & conducting customized Hospitality related Training for Uttarakhand Tourism Development Board (UTDB), Shri Mata Vaishno Devi Shrine Board (SMVDSB), Maharashtra Sadan, Karnataka Bhawan, Railways, NCDC, Ministry of External Affairs, Rashtrapati Bhawan and Foreign Service Institute etc.
- (e) One-year diploma courses in Food Production, Bakery and Confectionary, Front Office, Housekeeping and F&B service jointly with National Institute of Open Schooling under Ministry of HRD, Govt of India.
- (f) AIH&TM is conducting 01 year Residential Training Programme sponsored by Ministry of DONER in various fields of Hospitality. Approximately 800 students have availed the facility of this course. The placement record of this course is above 70% and students are well placed in Hospitality and Airlines Industry.
- (g) AIH&TM started skill development initiative “Hunar Se Rozgar” sponsored by Ministry of Tourism, Govt of India at Tihar Jail. First batch comprising of 30 inmates commenced on 13th September, 2017 at Tihar Jail to provide an opportunity to the inmates so as to enable them to become a part of mainstream society and to lead a respectable life.
- (h) AIH&TM, ITDC and Air India signed an MoU. Accordingly, AIH&TM shall design and develop the training module and training programs shall be conducted for the executives of Air India. AIH&TM conducted a 5-Day training program on “LEADERSHIP EXCELLENCE” from 11th-15th July, 2017 for the first batch of senior executives of Air India.
- (i) AIH&TM also undertakes training of ITDC Executives which emphasise on developing Corporate Training, Planning and Monitoring system for systematic formulation and implementation of Annual training Programme. Training programmes conducted on various topics including procurement procedure, Online Performance Appraisal System, Competency development through reputed institutes viz. SCOPE, ASCI, IIT Roorkee etc.

- (j) The Human Resource Development division has been certified with an ISO 9001:2015 certification for imparting quality education in hospitality and tourism management.
- (k) **The 1st batch of B.Sc. Hospitality and Hotel Administration affiliated to National Council of Hotel Management in Catering Technology course with 100 % placement record has passed out from the institute.** The intake capacity of B.Sc. H&HA course has increased from 60 to 90 students from the academic year 2018-19.
- (l) AIH&TM and Jamia Milia Islamia University have joined hands to offer 03 years B.Voc. Course in Food Production and 1 year diploma course in Hotel Operations from academic session 2018-19.

The Ashok Institute of Hospitality and Tourism Management (AIH&TM) has achieved a turnover of ₹ 3.61 crore during 2017-18 as against a turnover of ₹ 2.99 crore in the previous year during 2016-17 with net Loss of ₹ 0.81 crore during 2017-18 (previous year 2016-17 net loss of ₹ 0.81 crore).

#### F. Ashok Consultancy & Engineering Services Division (ACES)

Ashok Consultancy & Engineering Services Division is a full-fledged unit of ITDC for execution of Engineering Projects and preparation of DPR. The Division comprises of engineers from Civil, Electrical, Mechanical and Architect Disciplines. The Division has completed about 67 tourism infrastructure projects throughout the country

and has also prepared more than 85 DPRs. The Division is well equipped in preparing Economic Feasibility Report, Management Consultancy, Advisory Services and Consultancy for all kind of Tourism infrastructure works. Besides this, the division maintains and upgrades all ITDC properties located in different States. The division undertakes all projects under Central Financial Assistance (CFA), works under PRASAD scheme, Swadesh Darshan and from various Ministries for development of tourism infrastructure in the country. Ministry of Tourism, Ministry of Culture and various State Governments have allocated projects to ITDC for utilizing these professional services.

As a strategy, the division besides its Govt. clientele base, focused on the private sector and obtained first of its kind tourism infrastructure project for an amount of ₹ 550 crore near Kakinada in Andhra Pradesh for developing an island as a complete tourist destination and MoU has been signed with the promoters. There are a number of other such projects in pipeline for award by the private player. The division submitted its DPR for Ramayana Circuit in Badhrachalm to the Govt. of Telangana.

A tourism infrastructure project in Daman and Diu is also in pipeline for which project report has already been submitted to the Administration of Daman and Diu.

The division is preparing DPRs for two Circuits in Jharkhand and Motihari in Bihar.

The Infrastructure Project at Odisha under PRASAD Scheme comprising of seven sites is partly under award and partly under execution. Work at sites at Prachi River and Ma Mangla Temple is near completion whereas works on other sites are under award.

The division renovated 48 guest rooms on fourth floor of Annexe Building along with toilets in Ashok Hotel. Also the Strengthening work of external façade of Hotel Samrat was taken up for safety purpose and completed.

The division is under active liaison with various State Governments for new projects. The division's focus is on various infrastructure and renovation projects with various Ministries and State Governments to earn additional revenue.

The Engineering Division including SEL Projects has achieved a turnover of ₹ 10.12 crore during the year 2017-18 (previous year ₹ 11.04 crore) with net loss of ₹ 3.92 crore as against net loss of ₹ 3.21 crore in the previous financial year.

#### G. Sound & Light Show

The SEL Division is now an ISO certified 9001:2015. It has the following functions:

1. Implementation of Sound and Light Show projects
2. Consultancy services related to Sound and Light shows
3. Illumination works
4. Operation of Sound and Light Shows

SEL Division during the financial year 2017-18 completed the SEL Show at Konark Sun Temple Odisha.

#### Targets for Financial Year 2018-19:

Implementation of following Sound and Light Show projects are in progress and will be completed in the financial year 2018-19:

1. SEL Show at Dal Lake, J&K
2. SEL Show at Tilyar Lake, Rohtak, Haryana
3. SEL Show at Diu Fort, Diu

Some other SEL projects which have been awarded to ITDC are at different stages of tendering during financial year 2018-19 and efforts will be made to complete as many projects as possible during the financial year 2018-19 subject to various approvals and clearances from concerned authorities :

1. SEL Show at Udayagiri, Odisha
2. SEL Show at Sarkhej Roza, Ahmedabad
3. SEL Show at Yadavindra Garden, Pinjore, Haryana
4. SEL Show at Kurukshetra, Haryana

Consultancy services for different projects are in progress and will be completed in the financial year 2018-19:

1. SEL show at Champaner, Vadodara, Gujarat

Proposals for implementing sound and light projects have been submitted to respective authorities for sanction during financial year 2017-18 in States like Maharashtra, Madhya Pradesh, Chhattisgarh, Rajasthan, Tripura, Punjab, Gujarat etc.

Illumination work of temples at Dwarka, Gujarat is at tendering stage and expected to be completed during 2018-19.

Operation of SEL Show at Red Fort and Purana Quila :

- Promotion of the Show through various media available and also to facilitate booking through other websites like bookmyshow for booking of shows.
- ITDC has joined hands with M/s Paytm for online booking and online publicity of SEL show at Delhi.

For reducing expenditure, Maximum work is being done in-house. Outsourcing of manpower is being done for different activities

of operation of Show. We have also initiated paperless online ticket sale through BHIM application to cut down the cost of printing the tickets.

The Sound and Light Show being part of Engineering Division, the Financial Performance of Engineering Division includes SEL Division also, has been given above.

#### 3. Vision & Mission

Due to disinvestment of Hotels run by ITDC, it was felt necessary to review the vision and mission of ITDC. Accordingly, ITDC Board in its meeting held on 28.9.2017 under new Business Plan, approved the new Vision & Mission to align focus and activity of competition in accordance with changed business and economic scenario emerging out of divestment of some of the hotel units. The new Vision & Mission is as under :

#### Corporate Vision:

To position ITDC as a respected, preferred and leading "one stop solution provider" in the Hospitality, Travel and Tourism sector and achieve higher return on investment for its shareholders while contributing towards fulfilling the overall objective of development, promotion and expansion of domestic as well as international tourism in the country for all sections of the society.

#### Corporate Mission

To achieve the desired position by leveraging on inherent strength of Corporation as a well known, established and trusted brand and by strengthening and enlarging other potential SBUs by adopting SBU specific strategy, increasing customer base from B2G to B2C and B2B, achieving customer delight (in

terms of external and internal customers) and by offering value for money quality services at par with best in industry.

#### 4. ITDC - SWOT Analysis

##### Strengths

- Well Established Brand for almost 53 years in Hospitality, Travel & Tourism related services.
- Pool of highly skilled and experienced manpower in hospitality and travel & tourism related services like large banquets, VVIP catering, Domestic and global event management, Sound & Light shows, Tourism infra, Hospitality education, Duty Free Shops etc.
- Patronage of Ministry of Tourism and other Govt. Agencies
- Zero Debt company.

##### Weakness

- Ageing properties and manpower
- High operating costs due to high wage bill
- Non upgradation of systems for a long time
- Extremely low IT environment
- High dependence on Govt Sector

##### Opportunities

- Tourism infrastructure in India is improving which will eventually translate into significant business opportunities.
- E-based solutions and advanced technologies are available at low costs for different business verticals to



utilize and increase productivity.

- Optimum utilization of infrastructure of hotels by leasing out extra space available.
- Increased demand for skill development courses, training & Education in hospitality as well as increased focus of States on improving tourism related infrastructure.

#### Threats

- New hotels with ultra modern facilities are coming up.
- Overall decrease in demand due to excess rooms supply in Delhi and other cities.
- Wage & Productivity imbalance
- Shrinking size and area of operations of Hotels division.
- Emergence of multi-utility portals like MMT, Bookings.com
- Depleting strength of skilled manpower.

#### 5. Environment Management Initiatives

Under Plan budgets of ITDC, some percentage of funds are utilized towards environment management initiatives which include installation / upgradation of LED lights, ETP/STP plants & organic waste plants etc. ITDC being a responsible CPSE, has adopted various eco-friendly measures like STP, Rainwater Harvesting System, solar energy etc. along with other energy conservation measures in most of its units.

Waste water treatment presents a sustainable short term and long term solution to water scarcity. The Ashok Hotel has capacity of 1 MLD with Zero Discharge (all treated water

is used in gardening & Air-conditioning), Hotel Pataliputra Ashok, Patna has capacity of 60 KLD and Hotel Kalinga Ashok, Bhubaneswar has a capacity of 30KLD of STP/ETP. Organic Waste converter has also been utilized at Hotels Ashok and Samrat to reduce hazardous waste harmful to environment. Hot water boilers have been converted to CNG in Hotel Ashok and Samrat Hotel to improve efficiency.

Hotel Janpath (closed on 31.10.2017), Hotel The Ashok and Hotel Kalinga Ashok, Bhubaneswar have 5000/3000LPH Solar water Heating System respectively and these are run to save energy. In addition, Hotel Kalinga Ashok has standalone Solar street lights installed in its premises. To reduce the energy loss in the guest rooms, Hotel Ashok has installed Room Automation (Set Back) System under LEED Certification along with 500 TR Eco friendly Centrifugal AC Plant, 4x750KVR Capacitor Bank panels to save energy & Double Skin AHU/FCUs with automatic motorized valve.

Regarding environment policy, the ITDC group of Hotels have installed LED lights in almost all of its Hotels to save energy.

Beyond statutory compliance - All the ITDC hotels are ISO 22000:2005 certified by IRQS management sys RVAC071 standards and all the units have achieved Air & Water Pollution Act certificate which are renewed from time to time. Hotel Ashok, New Delhi has LEED certification under US Green Building Council in 2017 and is in progress for getting Platinum LEED certification and Hotel Samrat is in progress for Gold LEED certification along with energy audit for both the Hotels.

Hotel Ashok has undergone Water Audit from Jamia Millia Islamia University, New

Delhi in 2017. Also ITDC is in progress for ISO 14001:2015 for Hotels Ashok and Samrat and ISO 9001:2015 for AITD & ACES division.

#### 6. Outlook

Indian Tourism and Hospitality Industry has emerged as one of the key drivers of growth among the services sector in India. India has a vast untapped potential for tourism which can play a special role in our socio-economic progress.

ITDC is working hard to improve its overall performance by focussing on each vertical and various initiatives have been taken in this regard.

- Leveraging Digital Marketing to promote Brand ITDC and to actively engage on social media with young audience. On 31st March, 2018, ITDC had 13444 followers on Facebook, 1195 followers on Twitter and 633 followers on Instagram.
- Implemented Government eMarketplace (GeM) in ITDC.
- E-tendering by using eProcurement under Central Public Procurement Portal.
- Manpower Re-structuring carried out in the Corporation after more than 10 years.
- Formulation of tariff for all the ITDC Hotels for the year 2017-18
- Introduction of Summer Getaway Packages/Promotions.
- ITDC participated in Trade Fairs and Travel Marts (including SATTE (New Delhi), Great India Travel Bazaar

2017 (Jaipur); World Travel Mart 2017 (London); Arabian Travel Mart 2017 (Dubai); MICE Travel Mart (Mumbai).

- State Tourism Meet was organised by ITDC to find possible solutions to develop tourism for respective states.
- Hosted a Road Show in collaboration with India Convention Promotion Bureau (ICPB) at the Ashok. The Road Show provided an opportunity for stakeholders to interact with professionals from MICE industry.
- Hosted Hospitality India Awards, Chef Awards, PATWA Awards to promote Brand ITDC/The Ashok.
- Increasing contribution from Transportation, Tour and Cargo segment in ATT Division.
- Tying up with various State Govt. to explore possible area of collaboration in tour & travel segment.
- Tying up with various organizations, universities, institutions to offer customized short term/long term skill development courses through AIH&TM.
- Increasing range of products at duty free shops.
- Increasing number of duty free shops at ports, especially in view of Government's focus on cruise tourism.
- Regular review of various policies to be more dynamic and market oriented.

#### 7. Risk and Concerns

Tourism is a sensitive product. It is affected by general economic conditions like global recession, general inflationary

conditions; Socio-political risk like socio political environment internationally and within the country, advisories from foreign countries; Competition from international hotel chains; increased outbound travel etc.

Company's specific risks (Level of Risks: High/Likely) as placed in the Board Meeting held on 08.09.2017, have been depicted in Board's Report.

#### 8. Internal Control

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

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

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

#### 9. Human Resource Management and Industrial Relations

Total employees in the Corporation, as on 31.03.2017 were 1232, which have now come down to 1023 as on 31.03.2018. (Excluding 73 employees engaged on Direct Contract basis). Out of 1023 employees, 283 employees belong to Scheduled Castes (SCs), 22 belong to Scheduled Tribes (STs) and 60 to Other Backward Classes (OBCs). Moreover, 23 employees were promoted to the next higher posts, out of which 11 employees belong to Scheduled Castes (SCs). Further, there are 150 Women employees (42 Executives & 108 Non-Executives) working in ITDC as on 31.03.2018 constituting 14.66% of the total workforce of the Corporation. The overall Industrial relation situation in ITDC continued to be cordial and good.

#### Cautionary Statement

Statement in the Management Discussion and Analysis describing the Company's objective, projections and estimates are forward looking statement and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental factors.

#### Annexure-II

### Report on Corporate Governance for the year 2017-18

Pursuant to Regulation 34(3) and Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

#### CORPORATE GOVERNANCE

##### (1) Philosophy on Code of Governance

The Corporation is committed to sound Corporate Governance practices. The Management believes that strong and sound Corporate Governance is an important instrument of protection of stakeholders through transparency, professionalism, accountability and adequate disclosures. The Corporation continuously endeavors to improve on these aspects on an ongoing basis.

##### (2) Board of Directors

ITDC is a Central Public Sector Enterprise (CPSE). In CPSEs, the appointments of Directors are made by the Administrative Ministry with the approval of the Cabinet Committee on Appointments (ACC). Article 61 of the Articles of Association of the Corporation states that the President of India shall be entitled to appoint all the Directors.

During the financial year 2017-18, the Board had following composition:

##### (A) Executive Directors

1. Smt. Ravneet Kaur, IAS has been appointed as Chairperson and Managing Director w.e.f. July 24, 2017.
2. Shri Piyush Tiwari, Director (Commercial & Marketing) w.e.f. 28.5.2015. He was given additional charge of Chairman & Managing Director from 01.03.2017 to 23.07.2017.
3. Shri Pradip Kumar Das, Director (Finance) w.e.f. February 25, 2016.

##### (B) Non-Executive Directors

##### (a) Part-time Govt. Directors

1. Shri Pradeep Kumar, IAS, Government Nominee Director, w.e.f. May 08, 2017, and ceased as Director on August 14, 2017.
2. Smt. Leela Nandan, IAS, Government Nominee Director w.e.f. August 14, 2017 and ceased as Director on 13.03.2017
3. Shri Bipin Mallick, IAS, appointed as Government Nominee Director vide order dated 16.04.2018 w.e.f. March 13, 2018 and ceased as Director on 05.07.2018.
4. Smt. Meenakshi Sharma, IA&AS, Govt. Nominee Director w.e.f. 11.07.2016

##### (b) Part-time Independent Directors

1. Shri Ajay Swarup w.e.f. 08.08.2016
2. Shri Patel Karshanbhai Bhikhabhai w.e.f. 08.08.2016

The Board presently comprises of ten Directors i.e., Chairperson & Managing Director, Director (Commercial & Marketing), Director (Finance), two Government Nominee Directors and five Independent Directors as under:

##### (A) Executive Directors

1. Smt. Ravneet Kaur, (IAS) has been appointed as Chairperson & Managing Director w.e.f. 24.07.2017
2. Shri Piyush Tiwari, Director (C&M) w.e.f. 28.05.2015
3. Shri Pradip Kumar Das, Director (Finance) w.e.f. 25.02.2016