

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2001

Your Directors submit their Report and Accounts for the financial year ended 31st March, 2001.

FINANCIAL PERFORMANCE

The Company recorded an income of Rs. 134.74 crores, registering a growth of 3% over last year. Post tax profit at Rs. 12.69 crores represents a growth of 6% over last year. The marginal improvements in turnover and profits reflect the nascent recovery in the hotel industry.

Your Directors are pleased to recommend a dividend of Re. 1/- per equity share for the year ended 31st March, 2001 (previous year Re. 1/- per share). Your Board recommends a transfer of Rs. 14.50 crores to General Reserve after considering transfer back of Rs. 1.22 crores from Foreign Exchange Earnings Reserve and Rs. 4.00 crores from Debenture Redemption Reserve and transfer of an amount of Rs. 2.00 crores to Foreign Exchange Earnings Reserve.

HOTEL OPERATIONS

The hotel industry in India is now beginning to witness signs of recovery following three years of decline. Your Company continues to strengthen its products and processes to support its competitively superior product and service offerings for the discerning traveller. Your Company's continued focus on strengthening its management and talent pool, improving the quality of guest experience and enhancing marketing and distribution channels has enabled the hotels under its management become the preferred choice of upmarket business travellers. The ITC Maurya Sheraton had the distinction of hosting several Heads of State and world business leaders including President Putin, Prime Minister Mori, Bill Gates and Michael Dell. In an affirmation of your Company's world class standards in hoteliering, ITC Maurya Sheraton received the International Hotel Environment Initiative (IHEI) Award for being the global green hotelier of the year. Further, "Namaste", your Company's magazine, received the prestigious Golden Bell Platinum award at New York city.

The ITC Grand Maratha, a super deluxe hotel at Sahar, Mumbai, owned by I.T.C. Limited, commenced operations in January, 2001 under an operating services agreement with your Company. The super deluxe 76-room ITC One, the super premium block of guest rooms at the ITC Maurya Sheraton, became operational during the year. The renovation and refurbishment programme of the existing hotels continued through the year.

SUBSIDIARY COMPANIES

a) Srinivasa Resorts Limited

During the year 2000-01, your subsidiary's hotel ITC Kakatiya Sheraton continued to maintain its leadership position in Hyderabad. The Company achieved a net turnover of Rs. 33.55 crores (previous year Rs. 26.25 crores), registering a growth of 28% over last year. Profit before tax improved significantly from Rs. 2.11 crores last year to Rs. 7.22 crores during the year under review. Similarly profit after tax also registered a substantial improvement from Rs. 1.98 crores last year to Rs. 6.61 crores. The hotel's excellent performance has enabled the Company to achieve a considerable reduction in the gestation period.

b) Fortune Park Hotels Limited

During the year 2000-01, the Company achieved a turnover of Rs. 117.35 lacs (previous year Rs. 132.32 lacs) and a net profit of Rs. 2.30 lacs (previous year Rs. 14.72 lacs). The lower level of performance, compared to last year, was primarily a result of the reorganisation of the Company's hotels portfolio. The Company, which caters to the mid-market segment, currently has six operating hotels in its portfolio. Five more hotels are at various stages of completion.

c) Bay Islands Hotels Limited

During the year 2000-01, the Company earned an income of Rs. 36.11 lacs (previous year Rs. 31.56 lacs) and a net profit of Rs. 27.34 lacs (previous year Rs. 21.92 lacs). Consequent to increase in the frequency of flights to Port Blair, the performance of the Company's hotel has improved. In keeping with ITC Hotels' re-branding strategy, the Company's hotel has been renamed 'Fortune Resort Bay Island' effective 1st April, 2001.

HERITAGE HOTELS

Maharaja Heritage Resorts Private Limited, a joint-venture with Marudhar Hotels Private Limited, is making steady progress with 20 operating properties under the "WelcomHeritage" banner.

ANSAL HOTELS LIMITED

Consequent to preferential allotment of equity shares to financial institutions as part of the negotiated settlement of outstanding debt, your Company's equity holding in Ansal Hotels Ltd. reduced to 47.52% from 54.65%. Accordingly Ansal Hotels Ltd. ceased to be a subsidiary of your Company with effect from 26th March, 2001. WelcomHotel, New Delhi, owned by the Company, commenced its first phase of commercial operations in January, 2001. The hotel will be ready for full operations from the third quarter of 2001.

HUMAN RESOURCES

Your Company continues to focus on human resource development in recognition of its philosophy that people are its most valuable asset. Your Directors wish to record their sincere appreciation of the efforts made and the support rendered by employees at all levels.

CONSERVATION OF ENERGY

The thrust on energy conservation continues, resulting in substantial savings in consumption of electrical energy, which forms a significant component of the energy cost.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW

During the year under review, your Company's foreign exchange earnings amounted to Rs. 65.71 crores. Foreign exchange utilisation stood at Rs. 5.03 crores.

SECURITIES

a) Redemption of Debentures

In terms of the Company's Prospectus dated 5th March, 1993, the second redemption installment of Rs. 80/- on the non-convertible portion of Part C Debentures of the face value of Rs. 250/- was paid on 17th June, 2000. The third and final redemption installment of Rs. 90/- is due on 17th June, 2001.

The 'Redemption-cum-Interest' warrants, representing the redemption payment and interest for the period 1st January, 2001 to 17th June, 2001, will be despatched in the second week of June, 2001.

b) Listing

Your Company's securities are listed with The Delhi Stock Exchange Association Limited, New Delhi, The Stock Exchange, Mumbai, The Calcutta Stock Exchange Association Limited, Calcutta and National Stock Exchange of India Limited. The Company is regular in paying the listing fees. The addresses of the said Stock Exchanges are stated elsewhere in the Annual Report.

DIRECTORS

Mr. Sudhakar Dinkar Kulkarni was appointed as an Additional Director with effect from 25th August, 2000. As per the provisions of Section 260 of the Companies Act, 1956 read with Article 130 of the Articles of Association of the Company, Mr. Kulkarni would vacate office at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Subrahmonyan Chandra Sekhar, Executive Vice President (Corporate Affairs, Growth & Investments) and Mr. Nakul Anand, Executive Vice President (Hotel Operations) of the Company were appointed Additional and Wholtime Directors with effect from 28th March, 2001. Appropriate resolutions seeking your approval are included in the notice convening the Annual General Meeting of the Company.

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. R. Subramanian will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

PARTICULARS OF EMPLOYEES

The particulars of employees as required to be disclosed in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, are annexed to this Report.

AUDITORS

The Auditors of your Company, M/s. Lovelock & Lewes, will retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company's Audit Committee recommends their re-appointment.

FUTURE PROSPECTS

The expected growth of the Indian economy in the wake of continuing reforms will lead to increased business travel to India. Your Company is well poised to seize the unfolding opportunities.

RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that :

a) in the preparation of annual accounts under review the applicable accounting standards had been followed. b) appropriate accounting policies were selected and applied consistently and reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period. c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. d) the annual accounts are prepared on a going concern basis. The required disclosures and the significant accounting policies followed are appearing in Schedules 18 and 19 respectively, to the annual accounts.

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 18th May, 2001 and recommended the same for the approval of the Board of Directors.

Kolkata, 18th May, 2001

S. S. H. Rehman
K. Vaidyanath

On behalf of the Board
Managing Director
Director

**ANNEXURE TO THE REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 ST MARCH, 2001**

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of the Directors

Name	Age	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Comm- encement of Employ- ment	Previous Employ- ment/ Position Held
Employed throughout the year and in receipt of remuneration aggregating Rs. 12,00,000/- or more							
Ahluwalia S. (Ms.)	50	Vice President- Supplies, Development & Operations Purchases	12,25,925	B.Com, Dip.in Hotel Mgt. & Nutr., L.H.C.I.M.A. (U.K.) B.A. (Hons.)	30	01.04.94	ITC LTD.- Hotels Division
Anand Nakul	44	Executive Director- Hotel Operations	20,09,054		22	01.04.94	ITC LTD.- Hotels Division
Anantram A.	55	Vice President- Sales & Marketing	16,70,661	M.B.A., M.Sc.(Tourism) Scottish Hotels School, U.K.	32	01.04.94	ITC LTD.- Hotels Division
Bhatnagar M.S.	49	Vice President- Finance	15,33,467	B.Sc., M.B.A.	27	01.04.94	ITC LTD.- Hotels Division
Chandra Sekhar S	48	Executive Director- Projects, Development & Investments	20,51,844	B.Sc., F.C.A.	24	01.04.94	ITC LTD.- Hotels Division
Dhawan S. S.	51	Vice President- Leisure Hotels & General Manager- Rajputana Palace Sheraton	14,08,935	Dip. in Tourism Mgt. (Vienna)	30	01.04.94	ITC LTD.- Hotels Division
Jha H.M.	54	Vice President- Human Resources	14,25,765	B.A. (Hons.), Dip. in Persn. Mgt. & I.R.	29	01.04.94	ITC LTD.- Hotels Division
Katre V.	51	Vice President- Marketing West	12,42,799	M.A.	28	01.04.94	ITC LTD.- Hotels Division
Koch Hans E.	49	Vice President & General Manager- ITC Grand Maratha	93,77,261	Swiss Federal Inst. of Tech., Dip. in Higher Studies in Hotel & Rest. Mgt.	19	01.12.99	Hilton Osaka, Japan
Munjal O. P.	57	President- Maharaja Heritage Resorts	14,95,536	M.B.A.	30	01.04.94	ITC LTD.- Hotels Division
Narang C. B.	58	Vice President- Food & Beverage Services & Internal Support	14,20,334	Dip. in Hotel Mgt. (France)	32	01.04.94	ITC LTD.- Hotels Division
Noronha A. R.	47	Vice President- Projects	14,49,478	B.E. (Elec.)	24	01.04.94	ITC LTD.- Hotels Division
Parmar J. S.	55	Vice President- Project Coordination	13,63,234	Dip. in Hotel Mgt. & Catering Tech.	32	01.02.99	Bharat Hotels Ltd.

Name	Age	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Comm- encement of Employ- ment	Previous Employ- ment/ Position Held
Employed throughout the year and in receipt of remuneration aggregating Rs. 12,00,000/- or more							
Qing Liang Xiao	39	Chinese Chef- ITC Maurya Sheraton	19,59,040	Chinese Cooking, Cooking School of Beijing Tourism	18	16.04.99	The Great Wall Sheraton
Rajput A.	45	Vice President- Project Finance & Development	14,41,385	B.Com., M.B.A.	26	01.04.94	ITC LTD.- Hotels Division
Tandon A. K.	50	Company Solicitor	13,82,660	B.Sc., LL.B., A.C.S.	26	01.04.94	ITC LTD.- Hotels Division
Verma P. K.	54	Senior Exec. Vice President- Hotel Operations (Co-ordination & Support)	19,12,258	B.Sc. (Chem. Tech.), M.B.A., Dip. in Hotel Mgt.	30	01.04.94	ITC LTD.- Hotels Division
Employed for a part of the year and in receipt of remuneration aggregating Rs. 1,00,000/- or more per month							
Malhotra K. K.	60	President	32,95,099	Dip. in Hotel Mgt. & Catering, M.H.C.I.	36	01.04.94	ITC LTD.- Hotels Division
Rudyk John	58	Senior Project Manager- ITC Sonar Bangla	41,41,161	B.Sc., Arch., Masters in Bldg. Renovation	28	01.08.00	Abu Dhabi Trade Centre
Sarin Deepak	52	Vice President- Projects (East)	7,10,667	B.Sc., M.B.A., Dip. in Hotel Mgt.	29	08.06.00	DLF Universal Ltd.
Notes:							
1. Gross remuneration comprises salary, allowances, bonus, value of perquisites, Company's contribution to provident, pension and gratuity funds.							
2. All appointments are/were contractual.							
3. None of the employees is/was a relative of any Director of the Company.							
On behalf of the Board							
S.S.H. Rehman <i>Managing Director</i>							
K. Vaidyanath <i>Director</i>							
Kolkata, 18th May, 2001							

REPORT OF THE AUDITORS TO THE MEMBERS

- We report that we have audited the Balance Sheet of ITC Hotels Limited as at 31st March, 2001 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report and the above mentioned accounts are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account together with the notes thereon/attached thereto and the Statement on Significant Accounting Policies give, subject to matter stated in Para 2.1 below, in the prescribed manner, the information required by the Companies Act, 1956 of India ('The Act'), and also give respectively, a true and fair view of the state of the Company's affairs as at 31st March, 2001 and its profit for the year ended on that date.
- Reference Note (vii) of Schedule 18, the Company has sought exemption from disclosure required under para 3(i)(a) of Part II of Schedule VI of the Companies Act, 1956. Pending receipt of such approval for the year, the Company has disclosed information as required under exemption orders obtained in the earlier years.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books. In our opinion these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the 'The Act' to the extent applicable.
- Based on representations made by all the Directors of the Company and the information and explanations as made available, the Directors of the Company do not *prima facie* have any disqualification as referred to in Clause (g) of sub-section (1) to Section 274 of 'The Act'.
- As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 dated 7th September, 1988 and issued by the Central Government of India and on the basis of such checks as we considered appropriate and the information and explanations given to us, we further report that:
 - The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management at regular intervals and no material discrepancies between the book records and the physical inventory have been noticed.
 - The fixed assets of the Company have not been revalued during the year.
 - The stocks of stores, supplies, food, beverage, cigarettes, etc. of the Company at all its locations have been physically verified by the management during the year at reasonable intervals.
 - In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The discrepancies between the physical stocks and the book stocks which have been properly dealt with in the books of account were not material.
 - In our opinion, the valuation of stocks of stores, supplies, food, beverage, cigarettes, etc. has been fair and proper in accordance with the normally accepted accounting principles followed in India and is on the same basis as in the preceding year.
 - The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties as listed in the register maintained under Section 301 of 'The Act'. In terms of sub section (6) of Section 370 of 'The Act', provisions of the section are not applicable to a Company on or after the commencement of the Companies (Amendment) Act, 1999 of India.
 - The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 301 of 'The Act' in terms of sub section (6) of Section 370 of 'The Act', provisions of the section are not applicable to a Company on or after the commencement of the Companies (Amendment) Act, 1999 of India.
 - The parties to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

- In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, provisions (food, beverages, cigarettes, etc.) including components, plant and machinery, equipment and other assets, and for the sale of room, food, beverages, cigarettes, etc., and other services.
- The Company has not entered into transactions of purchases during the year of any stores, provisions (food, beverages, cigarettes, etc.) and of sale of rooms, food, beverages, cigarettes, services etc., made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating to Rs. 50,000/- or more in value.
- Unserviceable or damaged stores and provisions (food, beverages, cigarettes, etc.) have been determined and provision for loss has been made in the accounts.
- The Company has not accepted any deposits from the public.
- In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable scrap. There are no by-products arising out of the operations of the Company.
- In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- Maintenance of cost records has not been prescribed by the Central Government of India under Section 209(1)(d) of 'The Act'.
- The Company is regular in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities in India.
- There are no undisputed amounts in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31st March, 2001 for a period of more than six months from the date they became payable.
- During the course of our examination of the books of account, carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to Profit and Loss Account, other than those payable under contractual obligations and accepted business practices, nor have we been informed of such case by the management.
- The Company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 of India.
- In respect of service activities :-
 - In our opinion, the Company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the relative departments, commensurate with its size and nature of its business.
 - In our opinion, the Company has a reasonable system of allocating man hours utilised to the departments, commensurate with its size and nature of its business.
 - In our opinion, there is a reasonable system of authorisation at proper levels and an adequate system of internal control commensurate with the size of the Company and the nature of its business on the issue of stores and allocation of stores and labour to departments.
- As regards the Company's trading activities, damaged goods have been determined by the Company the value of which is not significant, and necessary provision has been made in the accounts for the loss.
- The investments are held in the name of the Company.

Kolkata, 18th May, 2001

For LOVELOCK & LEWES
Chartered Accountants
KAUSHIK DUTTA
Partner

BALANCE SHEET AS AT 31ST MARCH, 2001

	Schedule	As at 31st March, 2001		As at 31st March, 2000	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Share Capital	1	30,21,00,420		30,20,98,420	
(b) Reserves & Surplus	2	<u>2,03,21,86,378</u>	<u>2,33,42,86,798</u>	<u>1,93,85,86,345</u>	<u>2,24,06,84,765</u>
2. Loan Funds					
(a) Secured Loans	3	8,92,75,750		16,89,03,250	
(b) Unsecured Loans	4	<u>15,00,00,000</u>	<u>23,92,75,750</u>	<u>—</u>	<u>16,89,03,250</u>
Total			<u>2,57,35,62,548</u>		<u>2,40,95,88,015</u>
II. APPLICATION OF FUNDS					
1. Fixed Assets	5				
(a) Gross Block		1,87,35,59,053		1,91,55,81,313	
(b) Less-Depreciation		<u>48,65,17,264</u>		<u>39,07,12,065</u>	
(c) Net Block		<u>1,38,70,41,789</u>		<u>1,52,48,69,248</u>	
(d) Capital Work-in-Progress		<u>2,36,01,064</u>	<u>1,41,06,42,853</u>	<u>1,36,42,332</u>	<u>1,53,85,11,580</u>
2. Investments	6		67,35,23,610		61,58,06,610
3. Current Assets, Loans & Advances					
(a) Inventories	7	3,06,48,371		3,52,20,524	
(b) Sundry Debtors	8	8,90,11,761		10,65,38,500	
(c) Cash & Bank Balances	9	10,07,65,453		5,02,27,831	
(d) Other Current Assets	10	<u>27,12,23,400</u>		<u>26,86,15,372</u>	
(e) Loans & Advances	11	<u>32,61,08,591</u>		<u>31,79,50,115</u>	
		<u>81,77,57,576</u>		<u>77,85,52,342</u>	
Less : Current Liabilities & Provisions					
(a) Liabilities	12	29,50,62,917		48,64,18,397	
(b) Provisions	13	<u>3,32,98,574</u>		<u>3,68,64,120</u>	
		<u>32,83,61,491</u>		<u>52,32,82,517</u>	
Net Current Assets			<u>48,93,96,085</u>		<u>25,52,69,825</u>
Total			<u>2,57,35,62,548</u>		<u>2,40,95,88,015</u>
Notes to the Accounts	18				
Significant Accounting Policies	19				

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our Report of even date.

For LOVELOCK & LEWES
Chartered Accountants

KAUSHIK DUTTA
Partner
Kolkata, 18th May, 2001

On behalf of the Board

S. S. H. REHMAN
K. VAIDYANATH
M. RIAZ AHMED
Managing Director
Director
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

	Schedule	For the year ended		For the year ended	
		(Rs.)	31st March, 2001 (Rs.)	(Rs.)	31st March, 2000 (Rs.)
I. INCOME					
Income from Operations	14		1,32,90,49,682		1,30,09,22,625
Other Income	15		<u>1,83,23,409</u>		<u>1,01,54,711</u>
			<u>1,34,73,73,091</u>		<u>1,31,10,77,336</u>
II. EXPENDITURE					
Food, Beverage, Cigarettes, etc. Consumed	16		11,34,65,000		10,44,72,103
Operating and Administrative Expenses	17		96,54,56,328		94,11,57,265
Interest Paid — Debentures & Term Loans			2,80,40,780		3,90,31,481
— Others			6,84,206		34,19,579
Depreciation			<u>9,78,35,170</u>		<u>8,74,27,243</u>
			<u>1,20,54,81,484</u>		<u>1,17,55,07,671</u>
III. PROFIT					
Profit Before Taxation			14,18,91,607		13,55,69,665
Provision For Taxation			<u>1,50,00,000</u>		<u>1,58,75,370</u>
Profit After Taxation			12,68,91,607		11,96,94,295
Profit Brought Forward			8,14,86,600		14,26,56,425
Transfer to Foreign Exchange Earnings Reserve		(2,00,00,000)		(2,75,00,000)	
Release from Foreign Exchange Earnings Reserve		<u>1,22,00,000</u>		<u>1,35,00,000</u>	
Release from Debenture Redemption Reserve			4,00,00,000		4,00,00,000
Available for Appropriation			<u>24,05,78,207</u>		<u>28,83,50,720</u>
IV. APPROPRIATIONS					
General Reserve			14,50,00,000		17,00,00,000
Proposed Equity Dividend			3,02,16,492		3,02,16,492
Tax on Proposed Dividend			30,82,082		66,47,628
Profit Carried Forward			<u>6,22,79,633</u>		<u>8,14,86,600</u>
			<u>24,05,78,207</u>		<u>28,83,50,720</u>
Notes to the Accounts	18				
Significant Accounting Policies	19				

The Schedules referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our Report of even date.

For LOVELOCK & LEWES
Chartered Accountants

KAUSHIK DUTTA
Partner
Kolkata, 18th May, 2001

On behalf of the Board

S. S. H. REHMAN
K. VAIDYANATH
M. RIAZ AHMED
Managing Director
Director
Company Secretary

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
1. SHARE CAPITAL				
Authorised				
5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000	50,00,00,000		
50,000 -15% Cumulative Redeemable Preference Shares of Rs. 100/- each	50,00,000	50,00,000		
	<u>50,50,00,000</u>	<u>50,50,00,000</u>		
Issued				
3,02,40,157 Equity Shares of Rs. 10/- each	30,24,01,570	30,24,01,570		
Subscribed and Paid-up				
*3,02,16,492 Equity Shares of Rs. 10/- each (Previous Year-3,02,16,492)	30,21,64,920	30,21,64,920		
Less : Amount in arrears	64,500	66,500		
	<u>30,21,00,420</u>	<u>30,20,98,420</u>		
*Includes				
— 2,15,24,360 Equity Shares of Rs. 10/- each fully paid up held by the Holding Company, I.T.C. Limited.				
— 23,94,000 Equity Shares of Rs. 10/- each allotted in 1992/93 as fully paid up Bonus Shares by way of capitalisation of Capital Reserve and General Reserve.				
	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)		
2. RESERVES AND SURPLUS				
Capital Redemption Reserve	30,00,000	30,00,000		
Share Premium Account	1,05,00,64,890	1,05,00,64,890		
Less : Amount in Arrears	279,500	2,86,500		
General Reserve				
At the commencement of the year	65,60,60,274	48,60,60,274		
Add : Transferred from Profit & Loss Account	14,50,00,000	17,00,00,000		
Foreign Exchange Earnings Reserve				
	<u>80,10,60,274</u>	<u>65,60,60,274</u>		
			As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
2. RESERVES AND SURPLUS (Contd.)				
At the commencement of the year	6,30,90,000	4,90,90,000		
Less: Transferred to Profit & Loss Account	1,22,00,000	1,35,00,000		
Add : Transferred from Profit & Loss Account	2,00,00,000	7,08,90,000		
Debtore Redemption Reserve				
At the commencement of the year	8,50,00,000	12,50,00,000		
Less : Transferred to Profit & Loss Account	4,00,00,000	4,50,00,000		
Capital Reserve				
Balance in Profit & Loss Account	1,71,081	1,71,081		
	<u>6,22,79,633</u>	<u>8,14,86,600</u>		
	2,03,21,86,378	1,93,85,86,345		
3. SECURED LOANS				
10,00,000 - 17% Secured Redeemable Debentures of Rs. 250/- each	25,00,00,000	25,00,00,000		
Less : 1st & 2nd installments redeemed	16,00,00,000	8,00,00,000		
Less : 4,975 (Previous Year- 4,825) Debentures repurchased	4,47,750	8,20,250		
	<u>8,95,52,250</u>	<u>16,91,79,750</u>		
Less : Amount in Arrears	2,76,500	2,76,500		
	<u>8,92,75,750</u>	<u>16,89,03,250</u>		
	8,92,75,750	16,89,03,250		
Notes :				
a) During the year the second instalment of Rs. 80/- per Debenture was redeemed on 17th June, 2000. The balance portion of Rs. 90/- per Debenture will be redeemed on 17th June, 2001 as per terms of allotment.				
b) Debentures are secured by way of mortgage and/or charge against movable and immovable properties of the Company, both present and future, wherever situated.				
4. UNSECURED LOANS				
15,00,00,000 - 11% Inter Corporate Deposit from Holding Company, I.T.C. Limited.	15,00,00,000			

	Original Cost as at 1.4.2000 (Rs.)	Additions during the year (Rs.)	Withdrawals during the year (Rs.)	Original Cost as at 31.3.2001 (Rs.)	Depreciation for the year (Rs.)	Depreciation on Withdrawals (Rs.)	Depreciation up to 31.3.2001 (Rs.)	Net Block as at 31.3.2001 (Rs.)
5. FIXED ASSETS								
Freehold Land	9,33,38,120	2,12,34,344	—	11,45,72,464	—	—	—	11,45,72,464
Leasehold Land	23,20,84,166	—	23,14,72,016	6,12,150	—	—	—	6,12,150
Buildings	41,07,47,499	1,05,49,821	—	42,12,97,320	87,79,505	—	4,65,99,004	37,46,98,316
Building Improvement	10,76,25,059	5,40,76,125	—	16,17,01,184	79,31,119	—	2,58,58,946	13,58,42,238
Plant & Machinery	75,66,25,313	7,04,52,422	31,85,838	82,38,91,897	5,59,24,829	13,63,936	28,59,91,498	53,79,00,399
Furniture & Fixtures	29,24,37,292	2,91,45,032	1,75,836	32,14,06,488	2,28,15,118	33,741	12,08,38,785	20,05,67,703
Motor Vehicles	2,27,23,864	93,19,974	19,66,288	3,00,77,550	23,84,599	6,32,294	72,29,031	2,28,48,519
	<u>1,91,55,81,313</u>	<u>19,47,77,718</u>	<u>23,67,99,978</u>	<u>1,87,35,59,053</u>	<u>9,78,35,170</u>	<u>20,29,971</u>	<u>48,65,17,264</u>	<u>1,38,70,41,789</u>
Capital Work-in-Progress	1,36,42,332	14,37,10,277	13,37,51,545	2,36,01,064	—	—	—	2,36,01,064
Total	<u>1,92,92,23,645</u>	<u>33,84,87,995</u>	<u>37,05,51,523</u>	<u>1,89,71,60,117</u>	<u>9,78,35,170</u>	<u>20,29,971</u>	<u>48,65,17,264</u>	<u>1,41,06,42,853</u>
Previous Year	1,76,65,61,444	44,39,92,233	28,13,30,032	1,92,92,23,645	8,74,27,243	52,22,747	39,07,12,065	1,53,85,11,580

Note : Leasehold land of Rs. 6,12,150/- for a period of 90 years has not been amortised.

	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
6. INVESTMENTS – AT COST				
Unquoted – Long Term				
(a) Trade Investments				
— Ansal Hotels Limited				
2,72,79,310 (Previous Year 2,15,05,310) Equity Shares of Rs. 10/- each fully paid including Stamp Duty of Rs. 5,22,023/- (Previous Year Rs. 5,22,023/-) and Premium of Rs. 20/- per share on 1,04,12,950 (Previous Year 1,04,12,950) Equity Shares	48,15,74,123	42,38,34,123		
— Maharaja Heritage Resorts Private Limited (5,000 Equity Shares of Rs. 100/- each fully paid)	5,00,000	5,00,000		
— Bihar Hotels Limited (40,000 Equity Shares of Rs. 10/- each fully paid)	4,00,000	4,00,000		
(b) Subsidiary Companies				
— Srinivasa Resorts Limited (1,63,20,477 Equity Shares of Rs. 10/- each fully paid including Stamp Duty of Rs. 1,56,084/- and Premium of Rs. 7.50 per share on 29,21,198 Equity Shares)	18,52,69,839	18,52,69,839		
— Fortune Park Hotels Limited (4,50,001 Equity Shares of Rs. 10/- each fully paid)	45,00,010	45,00,010		
— Bay Islands Hotels Limited (11,875 Equity Shares of Rs. 100/- each fully paid including Stamp Duty of Rs. 5,938/-)	11,93,438	11,93,438		
(c) Government Securities – National Savings Certificates/Indira Vikas Patras – (Deposits with or for deposit with various authorities)	86,200	1,09,200		
	<u>67,35,23,610</u>	<u>61,58,06,610</u>		
7. INVENTORIES – AT COST				
Food, Beverage, Cigarettes etc.	1,19,83,421	1,24,84,919		
Stores and Supplies	1,86,64,950	2,27,35,605		
	<u>3,06,48,371</u>	<u>3,52,20,524</u>		
8. SUNDRY DEBTORS (Unsecured)				
Debts Outstanding over six months				
Considered good	1,25,44,783	2,74,26,580		
Considered doubtful	13,12,459	5,44,793		
Other Debts (Considered good)	7,64,66,978	7,91,11,920		
	<u>9,03,24,220</u>	<u>10,70,83,293</u>		
Less : Provision for doubtful debts	13,12,459	5,44,793		
	<u>8,90,11,761</u>	<u>10,65,38,500</u>		
9. CASH AND BANK BALANCES				
With Scheduled Banks :				
On Current Accounts	7,50,03,356	2,01,55,355		
On Margin Money	1,92,000	1,92,000		
On Deposit Accounts	8,62,612	—		
Cash and Cheques on hand	2,47,07,485	2,98,80,476		
	<u>10,07,65,453</u>	<u>5,02,27,831</u>		

SCHEDULES TO THE ACCOUNTS (Contd.)

	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
10. OTHER CURRENT ASSETS (Unsecured—considered good)		
Deposits with Government, Public Bodies & Others	27,10,49,478	26,80,94,888
Interest Accrued on Deposits / Investments etc.	1,73,922	5,20,484
	<u>27,12,23,400</u>	<u>26,86,15,372</u>
11. LOANS AND ADVANCES (Unsecured — considered good)		
Loans to Others*	9,10,45,633	11,90,27,348
Advances recoverable in cash or in kind or for value to be received**	16,24,92,876	11,46,03,762
Advances with Subsidiaries	1,91,42,248	2,20,91,936
Advances with Government and Public Bodies***	5,34,27,834	6,22,27,069
	<u>32,61,08,591</u>	<u>31,79,50,115</u>
* Includes Loans and Advances to Executive Directors & Company Secretary of Rs. 47,02,275/- (Previous Year — Rs. 10,96,685/-). The maximum amount due during the year was Rs. 47,57,995/- (Previous Year — Rs. 11,43,185/-).		
** Includes Capital Advances of Rs. 36,23,702/- (Previous Year — Rs. 61,18,164/-).		
*** Includes an amount of Rs. 2,77,45,798/- (Previous Year — Rs. 1,89,80,913/-) being advance payment of Income Tax net of provisions. Also includes capital advances of Rs. 30,65,404/- (Previous Year — Rs. 2,13,67,044/-).		
12. LIABILITIES	(Rs.)	(Rs.)
Sundry Creditors*	27,64,33,810	46,13,39,838
Sundry Deposits	1,12,78,194	1,44,22,874
Unclaimed Dividend	24,93,962	35,74,998
Interest accrued but not due on Loans	48,56,951	70,80,687
	<u>29,50,62,917</u>	<u>48,64,18,397</u>
* Includes net advance received of Rs. Nil (Previous Year Rs. 15,93,24,366/-) from Holding Company, I.T.C. Limited towards transfer of hotel project at Kolkata.		
13. PROVISIONS	(Rs.)	(Rs.)
Proposed Dividend	3,02,16,492	3,02,16,492
Tax on Proposed Dividend	30,82,082	66,47,628
	<u>3,32,98,574</u>	<u>3,68,64,120</u>
	For the year ended 31st March, 2001 (Rs.)	For the year ended 31st March, 2000 (Rs.)
14. INCOME FROM OPERATIONS		
Rooms	57,78,91,153	55,17,64,391
Food & Beverage	38,69,37,452	35,75,18,704
Recreation & Services	15,67,12,226	12,94,46,163
Management Consultancy & Other Services	20,15,79,145	25,82,76,827
Miscellaneous Income	36,41,362	23,86,660
Gain on Exchange (Net)	—	1,01,518
Insurance Claims	22,88,344	14,28,362
	<u>1,32,90,49,682</u>	<u>1,30,09,22,625</u>
15. OTHER INCOME		
Income from Investments – Trade	60,000	60,000
– Others	20,686	13,169
Interest on Loans and Deposits etc.*	72,43,557	1,00,81,542
Profit on Sale of Fixed Assets (Net)	1,09,99,166	—
	<u>1,83,23,409</u>	<u>1,01,54,711</u>
* The Income from Interest on Loans and Deposits etc. are stated gross, the amount of Income Tax deducted thereon is Rs. 11,95,259/- (Previous Year — Rs. 19,27,717/-).		
16. FOOD, BEVERAGE, CIGARETTES, ETC. CONSUMED	(Rs.)	(Rs.)
Opening Stock	1,24,84,919	1,35,21,100
Add : Purchases	11,29,63,502	10,34,35,922
	12,54,48,421	11,69,57,022
Less : Closing Stock	1,19,83,421	1,24,84,919
	<u>11,34,65,000</u>	<u>10,44,72,103</u>
17. OPERATING AND ADMINISTRATIVE EXPENSES	(Rs.)	(Rs.)
Salaries, Wages and Bonus	21,78,24,323	18,50,87,960
Contribution to Provident and Other Funds	1,73,45,003	1,57,20,715
Workmen and Staff Welfare Expenses	4,58,52,534	4,41,33,564
Contribution to Gratuity Funds	56,45,200	28,66,607
Insurance	2,16,96,547	2,24,28,528
Consumption of Stores and Supplies	8,17,10,972	7,94,05,346
Power and Fuel	15,85,98,048	15,00,56,234
Rent (including licence fees)	8,71,56,058	9,00,92,078
Repairs — Building	1,68,02,673	1,65,75,863
— Machinery	3,00,68,004	3,17,62,457
— Others	1,31,58,414	1,19,57,102
Rates and Taxes	3,10,80,607	2,19,40,164
Advertising/Sales Promotion/ Market Research etc.	3,99,78,948	5,49,81,172
Legal Expenses	12,75,190	11,59,200
Training	67,50,163	49,04,380
Travelling and Conveyance	4,73,70,607	4,99,17,157
Postage, Telephone, Telex etc.	3,68,48,225	4,44,01,891
Miscellaneous – Others	7,04,58,175	7,95,06,730
Technical & Consultancy Fees	3,86,48,602	9,27,64,037
Loss on Exchange (Net)	2,44,206	—
Commission paid to Travel Agents	33,99,156	38,12,530
Payments to Auditors	—	—
— Audit Fees	8,00,000	7,00,000
— Certification Other Services etc.	10,35,342	7,75,475
Doubtful & Bad Debts written off	7,67,666	6,46,181
Advances written off	—	1,11,487
Fixed Assets Discarded/Sold (Net of Realisation)	—	10,13,086
	<u>97,45,14,663</u>	<u>1,01,65,08,609</u>
Deduct : Transfer to Fixed Assets	90,58,335	7,53,51,344
	<u>96,54,56,328</u>	<u>94,11,57,265</u>

18. NOTES TO THE ACCOUNTS

- i) The estimated amount of contracts remaining to be executed on capital account not provided for Rs. 1,50,75,475/- (Previous Year — Rs. 8,08,82,696/-).
- ii) Contingent Liability :
- a) Corporate Guarantees outstanding - Rs. 20.00 Crores (Previous Year - Rs. 20.00 Crores)
- b) Claims against the Company not acknowledged as debt – Rs. 1,88,27,370/- (Previous Year — Rs. 1,85,02,554/-).
- c) In respect of Taxation matters Rs. 2,78,41,450/- (Previous Year - Rs. 44,82,068/-).
- iii) The suit filed by the third party in September 1980 for cancellation of lease in respect of Bangalore land appurtenant to Hotel Windsor Manor is still sub-judice. In the opinion of the Board of Directors, based upon legal advice, the Company's title is tenable.
- iv) Interest on Debentures & Term Loans is stated net of capitalised interest of Rs. 18,10,048/- (Previous Year Rs. 3,30,822/-).
- v) An amount of Rs. 2,18,99,427/- incurred on Voluntary Retirement Scheme introduced during the year has been charged to Profit & Loss Account.
- vi) Depreciation has been charged to the Accounts under Straight Line method. For the assets acquired prior to 02.04.87 the rates (percentage) applied are – Building – 1.64, Plant & Machinery – 5.28, Furniture & Fittings – 5.28 and Motor Vehicles – 7.31. In respect of assets acquired on or after 02.04.87 depreciation has been provided as per the rates specified in Schedule XIV of the Companies Act, 1956, except for building improvement, which is being amortised over the licence period.
- vii) The Ministry of Law, Justice and Company Affairs (Department of Company Affairs) Government of India has been consistently exempting the Company, on a year to year basis, in terms of the provisions of Section 211(4) of the Companies Act, 1956, upto 31st March, 2000, from disclosing quantitative details of turnover and consumption in respect of various classes of goods dealt with by the Company as required under Para 3 (i)(a) of Part II, Schedule VI of the Companies Act, 1956, subject to disclosure of certain information, based on which the following information is furnished :
- | | Current Year
(Rs.) | Previous Year
(Rs.) |
|--|-----------------------|------------------------|
| (a) Income from : | | |
| (i) Wine and Liquor | 6,00,42,345 | 5,55,42,001 |
| (ii) Telephone & Telex | 5,15,94,235 | 6,06,72,387 |
| (b) Consumption of : | | |
| (i) Provisions, Beverages
(excluding Wine & Liquor) | 9,54,25,484 | 8,77,18,660 |
| (ii) Wine and Liquor | 1,80,39,516 | 1,67,53,443 |
| | <u>11,34,65,000</u> | <u>10,44,72,103</u> |
- Approval in respect of the application made by the Company for similar exemption for the year ended 31st March, 2001, is expected shortly.
- | | Current Year
(Rs.) | Previous Year
(Rs.) |
|---|-----------------------|------------------------|
| viii) (1) CIF Value of Imports : | | |
| a) Capital Goods | 1,28,83,925 | 1,14,90,694 |
| b) Raw Materials | 8,79,643 | 8,18,081 |
| c) Stores & Supplies | 75,992 | 8,37,721 |
| d) Other Goods | 80,718 | 22,107 |
| (2) Value of consumption of Raw Materials, Stores & Supplies : | | |
| | Current Year
(Rs.) | Previous Year
(Rs.) |
| Raw Materials : | | |
| – Imported | 58,29,489 | 5.14 |
| – Indigenous | 10,76,35,511 | 94.86 |
| | <u>11,34,65,000</u> | <u>100.00</u> |
| Stores & Supplies : | | |
| – Imported | 1,24,683 | 0.15 |
| – Indigenous | 8,15,86,289 | 99.85 |
| | <u>8,17,10,972</u> | <u>100.00</u> |
| ix) Earnings in Foreign Currency — *Rs. 65,70,55,716/- (Previous Year — Rs. 63,25,57,696/-) | | |
| * As reported by the Company to the Department of Tourism, Government of India and includes Rs. 52,33,54,308/- (Previous Year — Rs. 49,94,10,516/-) being Indirect Foreign Exchange Earnings during the year through Credit Cards and Travel Agencies, etc., as certified by the Bankers. | | |
| x) Expenditure in Foreign Currency : | | |
| (On payment basis) | Current Year
(Rs.) | Previous Year
(Rs.) |
| Travel | — | 28,70,123 |
| Hotel Reservation/Marketing Expenses | 3,89,20,915 | 1,63,54,361 |
| Technical & Consultancy Fees and Others | 84,64,300 | 3,12,83,567 |
| | <u>5,02,55,338</u> | <u>5,16,78,820</u> |
| xi) Directors' Remuneration : | | |
| (i) Executive Directors' Remuneration | | |
| (a) Salaries | 38,710 | — |
| (b) Other perquisites | 6,374 | — |
| (c) Contribution to Provident and other funds | 9,030 | — |
| | <u>54,114</u> | — |
| (ii) Non-Executive Directors' Commission | 3,00,000 | 1,80,000 |

SCHEDULES TO THE ACCOUNTS (Contd.)

Directors' Remuneration (Contd.)	Current Year		Previous Year	
(iii) Computation of Directors' Remuneration :	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Profit Before Taxation		14,18,91,607		13,55,69,665
Add : Executive Directors' Remuneration	54,114		—	
Non-Executive Directors'				
Commission	3,00,000		1,80,000	
Book Depreciation	9,78,35,170		8,74,27,243	
Provision for Doubtful Debts	7,67,666		5,44,793	
Adjusted (Profit)/Loss on sale of Fixed assets	15,28,818	10,04,85,768	10,13,086	8,91,65,122
Less : Adjusted (Profit)/Loss on sale of Fixed Assets u/s 349 of the Companies Act, 1956	—		4,34,811	
Depreciation u/s 350 of the Companies Act, 1956	9,78,35,170		12,20,68,883	
Capital Profit on sale of Fixed assets	1,25,27,984	11,03,63,154	—	12,25,03,694
Profit for the purpose of Directors' Commission		13,20,14,221		10,22,31,093
Non-Executive Directors' Commission at 1% of above		13,20,142		10,22,311
Restricted to Rs. 1,00,000/- (Previous Year Rs. 60,000/-) for each of the three (Previous Year - three)				
Non-Executive Directors		3,00,000		1,80,000

Note : Mr. S.S.H. Rehman, Managing Director shall not receive any remuneration from the Company in view of his wholetime Directorship with the Holding Company, I.T.C. Limited.

Mr. Nakul Anand and Mr. S.C. Sekhar were appointed Additional & Executive Directors with effect from 28th March, 2001. Their appointment and remuneration is subject to the approval of the shareholders.

xii) The Salaries, Wages and Bonus, Contribution to Provident Fund & Other Funds and Workmen & Staff Welfare Expenses is net of recoveries of Rs. 30,51,99,016/- (Previous Year- Rs. 22,31,97,569/-).

xiii) Retirement Benefits in respect of Pension, Gratuity etc. are provided for based on Actuarial Valuations as at the Balance Sheet date.

xiv) The outstanding liabilities as at the close of the year do not include any amounts due to any small scale industrial undertaking as defined under section 3(j) of the Industries (Development & Regulation) Act, 1951.

xv) Previous Year's figures have been regrouped/rearranged wherever necessary.

19. SIGNIFICANT ACCOUNTING POLICIES

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

To prepare financial statements in accordance with the historical cost convention, generally accepted accounting principles in India and relevant presentational requirements of the Companies Act, 1956.

- ii) TURNOVER
To state Turnover, which represents invoiced value of goods sold and services rendered, net of taxes.
- iii) FIXED ASSETS
To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of the assets capitalised.
- iv) DEPRECIATION
To provide depreciation in respect of all Assets acquired up to 1st April, 1987 on straight line method at the rates corresponding to the rates specified under Income Tax Rules and for additions on or after 2nd April, 1987, on straight line method at the rates as specified in Schedule XIV of the Companies Act, 1956.
- v) INVENTORIES
To value all inventories at lower of cost and net realisable value. Cost includes freight and other related incidental expenses and is computed on weighted average method.
- vi) RETIREMENT BENEFITS
To make regular monthly contributions to various Provident Funds, Pension Funds and Gratuity Funds which are charged against revenue. To administer through duly constituted and approved independent trusts, various funds with the exception of Provident Fund with regard to Non-Management Staff the contributions in respect of which are statutorily deposited with the Government.
- vii) PROPOSED DIVIDEND
To provide for Dividend as proposed by the Directors in the books of account, pending approval at the Annual General Meeting.
- viii) FOREIGN CURRENCY TRANSLATIONS
To record transactions in foreign currencies at the exchange rates prevailing on the date of the transaction. Payments made in foreign currency are converted at the applicable rates prevailing on the day of remittance. Liability/Receivables on account of foreign currency are converted at the exchange rates prevailing as at the end of the year and gains/losses thereon are taken to Profit and Loss Account.
- ix) INVESTMENTS
To state Long Term Investments at cost. Where applicable, provision is made where there is a permanent fall in valuation of investments.
- x) BORROWING COSTS
To capitalise the borrowing costs that are directly attributable to the acquisition or construction of that capital asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.
- xi) FINANCIAL & MANAGEMENT INFORMATION SYSTEMS
To practice an integrated Accounting System which unifies both Financial Books and Costing Records. The books of account and other records have been designed to ensure compliance of the relevant provisions of the Companies Act, 1956 on the one hand, and meet the internal requirements of information and systems for Planning, Review and Internal Control (designed and based on "Uniform System of Accounts for Hotels"), on the other.

On behalf of the Board

S. S. H. REHMAN
K. VAIDYANATH
M. RIAZ AHMED
Managing Director
Director
Company Secretary

Kolkata, 18th May, 2001

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousands)

Turnover** Total Expenditure

** Includes Other Income

Profit/Loss Before Tax Profit/Loss After Tax

(Please tick the appropriate box + for profit, - for loss)

Earnings per Share in Rs.

Dividend Rate %

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.

Product Description

*** No item code has been assigned to 'Hotels' under the Indian Trade Classification.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2001

	31st March, 2001 (Rs.)	31st March, 2000 (Rs.)	31st March, 2001 (Rs.)	31st March, 2000 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extraordinary Items	14,18,91,607	13,55,69,665		
Adjustments for :				
Depreciation	9,78,35,170	8,74,27,243		
Foreign Exchange (Profit)/Loss [Translations]	2,47,646	42,102		
(Profit)/Loss from Sale of Investment & Fixed Assets	(1,09,99,166)	10,13,086		
Interest/Dividend Received	(73,24,243)	(1,01,54,711)		
Provision for Doubtful Debts	7,67,666	5,44,793		
Interest Paid	2,87,24,986	4,24,51,060		
Operating Profit Before Working Capital Changes	25,11,43,666	25,68,93,238		
Adjustments for :				
Changes in Trade & Other Receivables	(7,32,12,788)	10,10,73,844		
Changes in Inventories	45,72,153	11,87,116		
Changes in Trade Payables	(4,07,47,376)	5,82,57,536		
Cash Generated from Operations	14,17,55,655	41,74,71,734		
Direct Taxes paid in respect of Operating Activities	(2,24,49,638)	(2,03,78,927)		
Cash Flow Before Extraordinary items	11,93,06,017	39,70,32,807		
Net Cash from Operating Activities	11,93,06,017	39,70,32,807		
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(19,14,69,013)	(17,35,16,773)		
Sale of Fixed Assets	8,64,44,809	16,11,81,993		
Project Capital Advance	2,07,96,102	9,28,20,594		
Purchase of Investments	(2,88,47,000)	(39,03,19,923)		
Interest/Dividend Received	68,13,134	88,21,677		
Repayment of Loan	3,75,00,000	4,00,00,000		
Net Cash from Investing Activities	(6,87,61,968)	(26,10,12,432)		
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital	9,000	10,250		
Proceeds from Long Term/Other Borrowings	15,00,00,000	7,000		
Repayment of Long Term/Other Borrowings	(7,93,11,500)	(7,94,74,750)		
Dividend Paid (incl. tax on Dividend)	(3,79,45,156)	(4,99,32,251)		
Interest Paid	(3,27,58,771)	(4,62,81,416)		
Net Cash used in or Generated from Financing Activities	(6,427)	(17,56,71,167)		
NET INCREASE / (DECREASE) IN CASH	5,05,37,622	(3,96,50,792)		
ADD : OPENING CASH OR CASH EQUIVALENT	5,02,27,831	8,98,78,623		
CLOSING CASH OR CASH EQUIVALENT	10,07,65,453	5,02,27,831		

NOTES :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash & Cash Equivalent includes Foreign Currency in hand of Rs. 2,67,326/- (Previous Year - Rs. 3,05,165/-) and Margin Money with banks Rs. 1,92,000/- (Previous Year - Rs. 1,92,000/-).
- Total Taxes paid during the year Rs. 2,33,07,308/- (Previous Year - Rs. 2,23,06,644/-) includes Tax Deducted at Source on interest received, amounting to Rs. 8,57,670/- (Previous Year - Rs. 19,27,717/-).
- Previous Year's figures have been regrouped/rearranged wherever necessary.

Kolkata, 18th May, 2001

On behalf of the Board
S. S. H. REHMAN *Managing Director*
K. VAIDYANATH *Director*
M. RIAZ AHMED *Company Secretary*

Auditors' Report :

We have examined the above Cash Flow Statement of ITC Hotels Limited for the year ended 31st March, 2001. The above Cash Flow Statement has been compiled from and is based on the audited accounts of ITC Hotels Ltd. for the year ended 31st March, 2001 reported upon by us on 18th May, 2001. According to the information and explanations given, together with the Notes thereon, the aforesaid Cash Flow Statement has been prepared pursuant to Clause 32 of the Listing Agreement with Stock Exchanges and the reallocations required for the purpose are as made by the Company.

For LOVELOCK & LEWES
Chartered Accountants

Kolkata, 18th May, 2001

KAUSHIK DUTTA
Partner

STATEMENT REGARDING SUBSIDIARY COMPANIES

PURSUANT TO SECTION 212(1) AND (3) OF THE COMPANIES ACT, 1956

	(Rs.)		(Rs.)
1. SRINIVASA RESORTS LIMITED		3. BAY ISLANDS HOTELS LIMITED	
a) Holding Company's Interest :		a) Holding Company's Interest :	
1,63,20,477 Equity Shares of Rs. 10/- each, fully paid up being 68% of total subscribed and paid up Share Capital of the Company.		11,875 Equity Shares of Rs. 100/- each, fully paid up being 100% of total subscribed and paid up Share Capital of the Company.	
b) Net aggregate amount of Subsidiary's profits/(losses) not dealt with in the Holding Company's accounts :		b) Net aggregate amount of Subsidiary's profits/(losses) not dealt with in the Holding Company's accounts :	
i) for the Subsidiary's financial year ended 31st March, 2001	4,49,17,969	i) for the Subsidiary's financial year ended 31st March, 2001	27,33,791
ii) for its previous financial years	(2,48,45,552)	ii) for its previous financial years	22,95,891
c) Net aggregate amount of Subsidiary's profits/(losses) dealt with in the Holding Company's accounts :		c) Net aggregate amount of Subsidiary's profits/(losses) dealt with in the Holding Company's accounts :	
i) for the Subsidiary's financial year ended 31st March, 2001	Nil	i) for the Subsidiary's financial year ended 31st March, 2001	Nil
ii) for its previous financial years	Nil	ii) for its previous financial years	Nil

On behalf of the Board

S. S. H. REHMAN *Managing Director*
K. VAIDYANATH *Director*
M. RIAZ AHMED *Company Secretary*

Kolkata, 18th May, 2001

On behalf of the Board

S. S. H. REHMAN *Managing Director*
K. VAIDYANATH *Director*
M. RIAZ AHMED *Company Secretary*

Kolkata, 18th May, 2001

2. FORTUNE PARK HOTELS LIMITED (Rs.)

- Holding Company's Interest :
4,50,001 Equity Shares of Rs. 10/- each, fully paid up being 99.99% of total subscribed and paid up Share Capital of the Company.
- Net aggregate amount of Subsidiary's profits/(losses) not dealt with in the Holding Company's accounts :
 - for the Subsidiary's financial year ended 31st March, 2001
 - for its previous financial years
- Net aggregate amount of Subsidiary's profits/(losses) dealt with in the Holding Company's accounts :
 - for the Subsidiary's financial year ended 31st March, 2001
 - for its previous financial years

On behalf of the Board

S. S. H. REHMAN *Managing Director*
K. VAIDYANATH *Director*
M. RIAZ AHMED *Company Secretary*

Kolkata, 18th May, 2001