



THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2014-2016)**

SIXTY SIXTH REPORT
(Presented on 11th December, 2014)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014**

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SIXTY SIXTH REPORT

On

**Tourist Resorts (Kerala) Limited based on the Report
of the Comptroller and Auditor General of
India for the year ended on
31st March, 2007 (Commercial)**

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INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2014-2016) having been authorised by the Committee to present the Report on their behalf, present this Sixty Sixth Report on Tourist Resorts (Kerala) Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2007 (Commercial) relating to the Government of Kerala.

The Report of the Comptroller and Auditor General of India for the year ended on 31-3-2007 was laid on the Table of the House on 26-2-2008. The consideration of the audit paragraphs included in this Report and the examination of the departmental witness in connection thereto was made by the Committee on Public Undertakings constituted for the years 2011-2014.

This Report was considered and approved by the Committee at the meeting held on 19-11-2014.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the Audit Paragraphs included in this Report.

The Committee wish to express their thanks to the officials of the Tourism Department of the Secretariat and Tourist Resorts (Kerala) Limited for placing before them the materials and information they wanted in connection with the examination of the subject. They also wish to thank in particular the Secretaries to Government, Tourism and Finance Department and the officials of Tourist Resorts (Kerala) Limited who appeared for evidence and assisted the Committee by placing their considered views before the Committee.

Thiruvananthapuram,
11th December, 2014.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.

REPORT

TOURIST RESORTS (KERALA) LIMITED

AUDIT PARAGRAPH

Introduction

2.3.1 Kerala Tourism Development Corporation Ltd. (KTDC), a State Government Company incorporated in 1965 had taken up a hotel project at Kochi in 1970. The project was held up for want of sufficient funds. The State Government, therefore, decided (April 1989) to form a new Company, with the intention of obtaining institutional finance. Accordingly, Tourist Resorts (Kerala) Limited (TRKL) was incorporated (August 1989) as a subsidiary company of KTDC primarily with the intention of completing the Kochi Hotel Project.

For completion of the hotel project, institutional finance was sought for and financial commitment was obtained (January 1990) from Industrial Finance Corporation of India (IFCI) by TRKL. In the meantime, Taj Group of hotels expressed (July 1990) their willingness to promote tourism in the State. Based on the Memorandum of Understanding (MoU) entered into (October 1990) between State Government and Taj Group a Joint Venture (JV) agreement between TRKL and Indian Hotels Company Limited (IHCL) was executed (October 1990) and a new Joint Venture Company by name Taj Kerala Hotels and Resorts Limited (TKHRL) was formed (May 1991).

In November 1993, KTDC formed another Joint Sector Company named Oberoi Kerala Hotels and Resorts Limited (OKHRL) with East India Hotel Limited (EIH) of Oberoi Group to promote tourism in Kerala. Subsequently, TRKL was placed (December 1998) as the joint venture partner in place of KTDC.

Out of 11 Directors in the Board of TKHRL as on 31st March, 2007, three were nominated by TRKL and eight were nominees of IHCL. The Board of Directors of OKHRL consisted of six directors—three each from TRKL and EIH.

Scope of Audit

2.3.2 This review conducted during April-May 2007 covers the performance of the Company in respect of joint venture activities which include formation of two joint venture companies (TKHRL and OKHRL), investment and returns from the JVs since formation to March 2007.

Audit Objectives

2.3.3 The audit objectives of the performance review were to ascertain whether:

- selection of the joint venture partner was transparent and the joint venture agreements protected the interest of Government/TRKL;
- TRKL could exercise adequate control over the functioning of the JV Companies;
- the joint venture company could establish hotels and resorts in the State leading to substantial development of tourism and economic activity;
- JV Companies were managed efficiently and effectively ; and
- there was reasonable return on investment.

Audit Criteria

2.3.4 The following criteria were adopted:

- provisions of the MoU between Government and JV partners;
- instructions issued by Government for the formation of joint venture companies;
- provisions of JV agreement and operating agreement; and
- Tourist statistics reports of Department of Tourism of the State Government.

Audit Methodology

2.3.5 Audit adopted the following mix of methodologies:

- review of draft Council note at Government level;
- review of JV agreement and operating agreement ;
- review of performance of the Joint Ventures with reference to various statistical data; and
- scrutiny of Annual Report of JV Companies and files and records maintained by TRKL.

Audit Findings

2.3.6 Audit findings emerging from the performance review were reported (June 2007) to the Management/Government and discussed in the meeting (31st July, 2007) of the Audit Review Committee on Public Sector Enterprises (ARCPSE). The Management was represented by the Manager (Finance) and Consultant Company Secretary. The State Government did not send a nominee to ARCPSE although invitation was issued (June 2007) to the Secretary to Government, General Administration Department. The views expressed by the Management have been taken into consideration while finalising the review.

The Audit findings as a result of the performance review are discussed in the succeeding paragraphs:

TAJ KERALA HOTELS AND RESORTS LIMITED (TKHRL)

Formation of the joint venture company

2.3.7 The projected cost of Kochi project as per the Detailed Project Report prepared by the financial consultant appointed by KTDC was ₹ 5.90 crore (August 1989). TRKL initially proposed to complete the project by availing a loan of ₹ 3.75 crore from IFCI and Tourism Finance Corporation of India (TFCI) and the State Government's contribution of ₹ 2.15 crore. IFCI and TFCI agreed in principle (January 1990) to grant term loan of ₹ 3.40 crore (IFCI ₹ 2.04 crore and TFCI ₹ 1.36 crore) and State Government was required to contribute ₹ 2.60 crore. Loan agreement was also executed (January 1990) by TRKL with IFCI (being the leading lender) and an amount of ₹ 50 lakh was availed of by TRKL during 1991-92. The project could have been completed directly by TRKL with the financial assistance of IFCI and the State Government.

While the assistance from IFCI/TFCI was on hand, the Government instead of providing its contribution approved (August 1990) the proposal to form a joint sector company with Taj Group on the ground of financial difficulties in releasing the margin money (₹ 2.60 crore) to avail of the loan from IFCI/TFCI. The joint sector company, TKHRL, was formed (May 1991)

after selection of Taj Group as the JV partner by the Government based on direct negotiation and MoU was signed (October 1990) between the State Government and the Taj Group. Deficiencies noticed in the formative stage of the JV Company are discussed below:

- Taj Group was selected as JV partner by Government neither by giving adequate publicity nor after inviting Expression of Interest from other leading hotel groups in the country. The negotiation was conducted with Taj Group alone. Due to this, the Company could not get a competitive offer in terms of lease rent, margin on income, etc., so as to maximise its share in the profit of the JV Company. After the agreement, TRKL received a lot of enquiries for similar arrangement with other leading hotel chains which indicates that there was enormous scope for TRKL to choose a competitive joint venture partner.
- No criteria or guidelines were formulated by Government before taking the decision to select Taj Group as JV partner. No evaluation of the financial impact of the future dealings was conducted. Finally, the capital base provided by the State Government has eroded and IHCL has gained at the cost of TRKL as discussed in the succeeding paragraphs.

Joint Venture agreement

2.3.8 JV agreement between TRKL and IHCL was executed in October 1990. The terms and conditions incorporated in the JV agreement were framed without any detailed study so as to protect the interest of the Government. Several terms of the agreement, executed by TRKL with IHCL were detrimental to the interests of the Government. This was despite Government's clear instructions to TRKL to safeguard the interest of the Government vis-à-vis the joint sector Company in the deal. The deficiencies noticed in the agreement and its impact are discussed below:

Absence of control on Joint Ventures

2.3.9 As per JV agreement, TRKL had only minority holding in the equity share capital of TKHRL. The shareholdings of TRKL, IHCL and public/private placement was fixed as 20, 40 and 40 per cent respectively.

Thus, until such time as the public issue of JV Company was made, the share capital had to be issued, allotted and paid by the partners in such a manner that at all times IHCL shall have twice the number of shares subscribed to by TRKL indicating that control over the Company would remain with IHCL implying handing over the valuable assets of the company in three locations.

Since TRKL had only 20 per cent shareholding it could neither control the affairs nor have effective participation in the management of the JV Company so as to safeguard the interest of TRKL/Government. Due to minority shareholding, the representative Directors of TRKL could not effectively involve in the decision making process at the Board meetings of the JV Company, despite huge investment made by the Company. Since public issue/private placement were not made as provided in the JV agreement, TRKL also could not exercise any joint control over TKHRL along with the public/private shareholders. JV agreement did not provide for the rights and obligations of the JV partners to deal effectively in such situation.

Non-monitoring of the agreement

2.3.10 As per the JV agreement, the Board of Directors (BOD) shall consist of not less than three and not more than twelve members. Subsequently, while forming JV Company, maximum limit was increased to 15 for which no justification was available with TRKL. TRKL and IHCL would have the right to nominate BOD in proportion to their investment subject to a minimum of one and maximum of four for each partner. The remaining directors were to be appointed and the size of the BOD was to be determined by mutual consent of TRKL and IHCL. TRKL had no records to show whether its consent was obtained in determining the size of the BOD and appointment of the directors.

In 2003-04, the subscribed and paid up share capital was increased from ₹ 45.83 crore to ₹ 50 crore and the shares held by TRKL and IHCL were ₹ 16.67 crore and ₹ 33.33 crore respectively. Though TRKL was eligible to nominate four directors to the Board of TKHRL, it nominated only three

Directors. IHCL was also eligible for maximum four directors and the remaining three directors were required to be appointed with mutual consent of TRKL and IHCL. TRKL neither nominated its fourth director nor insisted for its consent for the appointment of remaining three directors (TRKL: 4, IHCL: 4 and mutual consent: 3) thereby denying its own rights and giving more rights for decision making to IHCL.

Additional investment

2.3.11 TRKL had invested (1992-93 to 2006-07) ₹ 16.67 crore in JV Company (being one-third equity) to match the contribution of ₹ 33.33 crore by IHCL. This included a matching contribution of ₹ 11.17 crore made during 2002-04, when the accumulated losses of TKHRL were ranged between ₹ 18.05 crore to ₹ 21.75 crore. As such, the additional investment during the above period of heavy accumulated loss lacked financial prudence. The investment was made despite the fact that the Company was having the option to refuse the additional investment vide clause 3 (e) of the JV agreement wherein it was stated that the intention of TRKL and Government is to contribute to equity in value equivalent to or less than the value of land and other existing assets that they will be transferring to the Company.

Further, had the public issue/private placement made as provided in the joint venture agreement, TRKL was required to contribute ₹ 10 crore only (20 per cent) towards share capital. The JV Company did not float public issue/private placement of shares due to which there was avoidable extra investment of ₹ 6.67 crore by TRKL. It was not available on records whether the nominee directors of TRKL insisted on public issue/private placement with a view to reduce the liability towards share capital. The agreement was also silent about the time limit within which public issue/private placement of shares would be made, thus allowing IHCL to retain the control of TKHRL for indefinite period of time.

Transfer of assets

2.3.12 According to JV agreement, TRKL/State Government had to contribute equity equivalent to or less than the value of land and other existing assets that would be transferred to the JV Company.

Out of the 14 locations identified (October 1990) for transfer, it was decided (February/May 1992) to develop tourism centres in Ernakulam (Kochi), Varkala and Kumarakom. The total value of land (as fixed by the District Collector) and buildings (as per the valuation of mutually acceptable valuer/CPWD) was ₹ 2.95 crore and ₹ 2.51 crore respectively. The details of locations handed over, area, value of land, date of lease, etc., are as given below:

Sl. No.	Location	Area (acres)	Value of land (₹)	Value of buildings (₹)	Total Value (₹)	Date of lease
1	Ernakulam(Kochi)	0.938	1,16,96,860	1,40,91,700	2,57,88,560	13-2-1992
2	Kumarakam	12.210	3,82,388	9,67,300	13,49,688	13-7-1992
3	Kumarakam Additional land	1.430	57,20,000	..	57,20,000	20-4-1998
4	Varkala	1.560	1,17,00,000	1,00,02,000	2,17,02,000	1-7-1992
Total			2,94,99,248	2,50,61,000	5,45,60,248	

Even though the properties were transferred in 1992, the lease agreement had not been executed due to procedural delays arising from transfer of property in the name of TRKL by KTDC/State Department of Tourism. Further, out of the 14 locations identified for transfer to develop tourism, only three sites have been transferred to the JV Company and the remaining 10 locations (excluding one location developed by Taj themselves) are yet to be taken up by the JV Company for development even after a lapse of more than 15 years.

Operating agreement for TKHRL

2.3.13 As per the JV agreement (October 1990), IHCL had to be appointed as the hotel operator for TKHRL and the terms of the hotel operating agreement and technical services agreement were to be agreed to between TRKL and IHCL. Accordingly, TKHRL appointed IHCL as the hotel operator as per the JV agreement.

The Hotel Operating Agreement between IHCL and TKHRL was entered into in July 1999 by which IHCL was made the consultant and advisor. The agreement was effective for a period of twenty years commencing from 30th June, 1994 i.e. with retrospective effect and could be extended as

mutually agreed upon. As per the JV agreement, the terms of Hotel Operating Agreement were to be agreed to between IHCL and TRKL. No records in TRKL were available to show that terms and conditions of this agreement were finalised with the consent of TRKL. Scrutiny of records revealed that the operating fees payable to IHCL was fixed at very high level as discussed in paragraph 2.3.14 *infra* besides all reasonable expenses pertaining to the operation of the hotel and all reasonable costs incurred in maintaining the hotel was payable to IHCL on actual basis out of the receipts of the hotel. Audit noticed the following deficiencies in the operating agreement which resulted in undue favour to IHCL:

- As per the Operating Agreement, IHCL agreed to offer advice and guidance in directing, supervising and controlling the performance of all services for the efficient and proper operations of the hotel. The fee for the services covered by the operating agreement was three per cent of gross income and 10 per cent of gross profit. The payment of operating fees and reimbursement of expenses to IHCL was not linked to profitability. Therefore, IHCL was not made responsible for the profitable functioning of the company but could secure their returns by way of operating fees and reimbursement of expenses. At the same time, TRKL, which had an investment of ₹ 16.67 crore did not get any return, as there was no profit available for distribution after charging expenses and fees. Since 1994-95 till 2006-07 TKHRL had paid to IHCL an amount of ₹ 12.84 crore as operating fee and ₹ 12.88 crore towards other expenses.
- TKHRL paid the operating fees as contemplated in the Operating Agreement and also incurred expenses for operating the hotel business. Despite the payment of operating fees and reimbursement of expenses, the expected results of maintaining the progress in increasing productivity and profit could not be achieved as discussed in paragraph 2.3.14 *infra*.

This unfavourable situation could have been avoided by carefully drafting and taking precautionary measures while entering into joint venture agreement with a private partner.

Operational performance of JV Company

2.3.14 TKHRL started functioning in 1994-95 and till 1997-98, the Company booked profits. The accumulated profit as of March 1998 was ₹ 99.88 lakh. Thereafter the Company suffered losses (1998-2003) and the accumulated loss as on 31st March, 2007 was ₹ 11.49 crore indicating erosion of more than 23 per cent of the equity.

The operating and general expenses charged by the JV Company were very much on the higher side with reference to All India Average. It was noticed that the 'All India Average of Operating and General Expenses to Operating Income' was in the range of 58.80 to 74.10 per cent during 2000-2006 whereas in the case of TKHRL it was in the range of 75 to 93 per cent. Taking into account the All India Average rate, there was excess Operating Expenses of ₹ 25.61 crore with consequent reduction of profit for the six years ended 31st March, 2006.

As per All India Average, Operating Profit (before Interest and Depreciation) was in the range of 21.40 per cent to 36.50 per cent during 2000-2006. Based on these norms there should have been operating profit of ₹ 42 crore from 2000-2006 against which TKHRL could earn operating profit of ₹ 22.75 crore only, the shortfall being ₹ 19.25 crore as on 31st March, 2006.

Apart from the investment of ₹ 16.67 crore by TRKL and loan of ₹ 50 lakh transferred from IFCI/TFCI at the time of formation of JV Company, loan of ₹ 19.50 crore was availed from IFCI/TFCI by TKHRL up to 1996-97. This was repaid in 1998-99 by availing term loan of ₹ 25 crore from SBI. Thus, TKHRL availed of incremental credit of ₹ 5.50 crore in the name of repayment of loan. Besides, inter corporate deposit of ₹ 13.80 crore was also availed by TKHRL up to 2000-01. In the absence of control over the affairs of TKHRL as discussed in paragraph 2.3.9 *supra*, TRKL could not verify the genuineness of these borrowings and its utilisation.

The number of foreign tourists who visited the State increased from 69309 in 1991 to 345546 in 2003-04. Similarly, in the case of domestic tourists the number increased from 948991 in 1991 to 5972182 in 2004.

Despite favourable factors, IHCL was not operating the JV Company profitably but contributed to an accumulated loss of ₹ 11.49 crore as on 31st March, 2007.

Participation in the management of JV Company

Ineffective participation in Board Meetings

2.3.15 Despite tourism boom, engagement of efficient hotel operator (IHCL), availability of sufficient funds for working capital/other capital requirements, the JV Company was incurring losses. In this circumstance, TKHRL was informed (January 2006) by the Principal Secretary (Tourism), Government of Kerala (one of the nominee directors in TKHRL) that while the loss of the Company was accumulating, IHCL had unilaterally charged large amounts as Brand Common Costs* (₹ 1.02 crore) and Central reservation system expenses (₹ 70 lakh) etc. The poor performance of the company was, however, questioned by the nominee Directors of TRKL only in the Board Meetings held in December 2005/June 2006 when the excessive charging of Operating expenses was brought to notice of the Board of TKHRL by the Principal Secretary, which did not receive any response.

As minority shareholders, the Directors of TRKL could attend the Board Meetings and seek explanation for the poor performance of the JV Company. The nominee directors, however, did not actively participate in the meetings which was taken advantage of by the JV Company by charging excessive operating expenses.

In the 14th Annual Report of TKHRL (2004-05), under Related Party Disclosure (Note No.19), apart from IHCL and TRKL, another company Amanind Investment Limited (AIL) was also included. TRKL, the joint venture partner, was not aware of such an associate company and details of their shareholdings, if any, in TKHRL. The details of shareholdings of AIL in the JV Company, called for (November 2005) by TRKL, did not receive any positive response. The matter was also not pursued by the Directors of TRKL/State Government in the Board Meetings of TKHRL.

* The pro-rated cost of key central support services necessary for the working of the hotels.

Non-access to Books of Accounts

2.3.16 Despite the State experiencing a tourism boom, the JV Company was not able to earn profit. Therefore, as directed by the State Government, TRKL appointed (January 2005) a firm of Chartered Accountants to conduct a review of the performance of the JV Company for a period of five years. TKHRL, however, refused to provide the records on the plea that past performance of the Company was reported to Board and the Board had sufficient representation (three nominees) from TRKL. Hence TRKL was not able to conduct scrutiny and ensure correctness of accounts.

As TKHRL declined to provide records for scrutiny, TRKL sought (March 2006) legal opinion for termination of JV Agreement and Operating Agreement. It was advised (March 2006) that since TRKL was holding 33.33 per cent share only and IHCL held the remaining 66.67 per cent, there was little chance of any resolution being passed which was opposed to the interest of IHCL. Thus, the failure to include suitable provisions in the JV agreement to have better control over the management despite huge investment resulted in dead investment of ₹ 16.67 crore.

In this connection it is pertinent to add that as per section 233 A of the Companies Act, 1956, the Central Government could direct Special audit when the affairs of any Company are not being managed in accordance with sound business principles or prudent commercial practices. Since TKHRL refused to produce the records, the Company had the option to approach the Central Government for special audit of the affairs of the JV Company under Section 233 A of the Companies Act 1956.

TRKL failed to approach the Central Government/Company Law Board for special audit of accounts of the JV Company despite specific provisions in the Companies Act.

OBEROI KERALA HOTELS AND RESORTS LIMITED

2.3.17 Oberoi Kerala Hotels and Resorts Limited (OKHRL), the JV formed (June 1994) between TRKL and Oberoi Group of hotels had authorised share capital of ₹ 50 lakh which was enhanced to ₹ 10 crore in 1997-98.

The issued, subscribed and paid up capital as on 31st March, 2003 was ₹ 2.72 crore. Of this, 20 per cent equity (shareholding as per JV agreement) amounting to ₹ 54.40 lakh was contributed by TRKL during 1998-1999 to 2002-2003.

OKHRL had identified two locations for tourism development viz., Thekkady and Pathiramanal Island. These sites were, however, selected without any feasibility study. Both these projects did not materialise in view of non-viability of large capacity hotels and protests by Nature Society resulting in blocking up of investment worth ₹ 54.40 lakh and loss of ₹ 6.16 lakh as narrated below:

Thekkady Project

2.3.18 The JV Company proposed (1997) to construct a hotel of fifty rooms at Thekkady and purchased (June 1998/March 1999) 9 acres and 10 cents of land at a cost of ₹ 1.52 crore. In 2002, a firm was engaged to conduct feasibility study for a project of forty rooms. The consultants opined that the project of forty rooms was not viable/feasible. Hence the Company abandoned the project and is now in the process of disposing of the land.

Thus, investment of ₹ 54.40 lakh by the Company in OKHRL remained unproductive since 2002-03 due to non-materialisation of the project taken up by the JV Company.

Pathiramanal Island Project

2.3.19 The Company proposed to set-up an ecotourism project of international standard at Pathiramanal Island near Thaneermukkom, Cherthala. For this, the State Government accorded (April 2000) sanction for the lease of Island belonging to the Department of Tourism, for resort development. The company purchased (December 2002) 1.08 acres of land at Thaneermukkom to construct a boat jetty for the project and it was fenced at an additional cost of ₹ 2.98 lakh. The project, however, could not be implemented consequent to the direction (January 2006) of Hon'ble Supreme Court to take a decision afresh in the matter in the light of issues raised by Nature Society. Hence, the State Government ordered to maintain status quo till a decision was taken by the Government on utilisation of land.

Audit noticed that an amount of ₹ 6.16 lakh was spent by TRKL towards preliminary expenses of the JV Company during the period 1998-99 to 2003-04. The entire amount was not got reimbursed by TRKL but written off in its accounts (2005-06).

The above matters were reported to Government (June 2007); the reply had not been received (September 2007).

[Audit Paragraph 2.3 (2.3.1-2.3.19) contained in the report of the Comptroller and Auditor General of India for the year ended 31-3-2007 (Commercial).]

Notes on the Audit paragraph furnished by Government in given in Appendix II.

1. The Committee enquired why Taj Group was selected as JV partner by neither giving wide publicity nor inviting other interested leading hotel chains in the country, to safeguard the interest of the Government. It was replied that Taj Group had put forward a proposal to carry out the works of some properties that remained unfinished and hence under the presumption that if the JV partnership was entrusted to the Taj Group, they would invest for the remaining work with the participation of Government. Though some senior officers had pointed out the flaw in not inviting major hotel groups for the project, Since no similar proposals were received from any other major groups, it was awarded to Taj. The innovative idea was first put forward by Taj Group and their proposal was felt feasible for the promotion of tourism in the State. Taking all these facts into consideration, the then Government took a favourable decision and decided to begin a new venture TKHRL with Taj Group.

2. The Committee was not satisfied with the reply and queried why the notification for the selection of JV partner was not given adequate publicity. If more interested companies had come forward, then the preference given to the Taj would not have become a matter of concern. The main issue pointed out by the Committee was that having negotiated only with Taj the TRKL has denied the opportunity of others to participate in JV partnership selection. The witness answered that in 1990 hardly 60000 tourists arrived here, which has now been increased to six lakh. Apart from two hotels, one in Kovalam and the other in

Kochi, there were no good hotels suitable for the accommodation of foreigners at that time. The selection of Taj Group was informed to have been made by the Cabinet, with the knowledge of the then Chief Minister as well as Revenue and Tourism Ministers after holding several meetings at various levels, in which the Chief Secretary and officers concerned had in fact raised the issue of publicity and the same was mentioned in KTDC's report too.

3. To a question as to how the percentage of shares was decided, it was clarified that initially an MoU was signed, between State Government and Taj Group and thereafter, on 30-10-1999, it was changed into a Joint Venture agreement. As per the Joint Venture agreement until such time when the public issue of Joint Venture was made, the contribution of equity would be 1:2, thus IHCL always having twice the number of shares than Government. Therefore the shareholdings of Government, IHCL and public was fixed as 20, 40 and 40 per cent respectively. In the agreement it was also mentioned that before the public issue was made, 33% and 66% shares was fixed for Government and IHCL respectively. The Company did not go for public issue as it was not in a good financial position and hence did not expect a good response from the public. The option for public issue still remains open.

4. The Committee pointed out the Accountant General's objection that the representatives of TRKL failed to safeguard the interest of the Government and remarked that action should have been taken against those who were responsible for this. It was clarified that this objection was from the Report of the Comptroller and Auditor General of India for the year ended 31-3-2007 and that the whole picture had changed after that and the company has come to the route of profit and started disbursing dividend. In the previous year the company was informed to have made a profit of ₹ 2 crore 40 lakh after paying taxes, one-third of which, i.e., ₹ 83 lakh was declared as dividend. It was agreed that the financial position of the company up to 2007, as pointed out by Accountant General, was factual. It was then submitted that with a professional approach to tourism it was not entirely true to say that the interest of Government had not been protected, since the TRKL is still a 33% shareholder. According to the latest Government policy relating to joint ventures it was suffice for the Government to retain only 26% share and the remaining share of 74% could be held by the private entrepreneurs.

5. When asked whether the company had inducted any companies, other than those sanctioned by Government, into the joint venture endeavor without the prior knowledge of the Government or Director Board. It was admitted that a new company had taken share from it without prior sanction. It was also added that as per the Joint Venture agreement, the TRKL and IHCL had the right to nominate directors in proportion to their investment subject to a minimum of one and maximum of four. Though the TRKL was eligible to nominate four directors they nominated only three, which was referred in the Accountant General's report. Clarifying the reason it was explained that since the shareholdings of TRKL and IHCL were in the ratio of 1:2, the nomination was to be made in such a manner that at all times, IHCL shall have twice the number of nominees than TRKL. Therefore, TRKL had three and IHCL had twice the number, i.e. six, and when the two independent nominees are added, it makes the total number of nominees 11. Since all the decisions are taken by mutual consent, there arose no problem regarding the number of nominees irrespective of whether the figure was 3 or 4. It was reported that the absence of one nominee did not affect the supervision aspect.

6. The witness also added that the total shareholdings of IHCL and its affiliates/associates could not exceed 66%. The terms and conditions of Joint Venture agreement did not specify any condition regarding the number of shares that an affiliate could hold. So in the 46th Board Meeting on September 27, 2001, the Board authorised the Company Secretary to issue letter of offer to several private companies for offer of equity shares. Thus IHCL, Oriental Hotels and Amanind Investments Limited held equity shares of ₹ 1,11,51,667, ₹ 10,15,000 and ₹ 1,01,66,667 respectively, with the total share value of ₹ 2,23,33,334, i.e., 66.67%. TRKL held an equity share of ₹ 1,11,66,666, i.e., 33%. The IHCL had thus distributed the shares following the guidelines. It was thus claimed that hence no need was felt to obtain sanction from the Government.

7. The Committee remarked that since Government representatives like Tourism Secretary, KTDC, Finance Secretary and KTDC Managing Director are members of the Board, they had the responsibility to inform the latest developments to the parent company, which they failed to do. The witness justified that since the Joint Venture agreement had authorised IHCL and their affiliates to hold 66.67% equity, it was not felt necessary to go deeply into the credentials and

other details of the new company brought in. Besides, their percentage of holding was seen to be maintained as per the requisite and the interest of the Government was not diluted in anyway. When enquired about the 40% shares reserved for the public, the witness stated that if the company goes for public issue of shares then paid up capital will have to be increased and shares issued to the public.

8. As per the operating agreement, the fee for services was 3% of gross income and 10% of gross profits and this charge was very high compared to the All India Average. The main objections raised by Accountant General were that such an agreement could have been avoided if the members had paid a little attention and that the agreement was seen amended in 2006. The Secretary disagreed with these objections and remarked that the agreement was executed in 1990 and decision regarding operating fees was taken even before the appointment of Board members. The witness further stated that in the agreement with IHCL it was resolved that the Company would enter into operating agreement with IHCL in respect of its various hotels on a fee of 3% of gross income and 10% of gross operating profit. The high operation charge was continued till 2006. However in 2006-07, the operating cost was reduced by 1%, i.e., from 3% to 2%. It was also added that though TKHRL has started making profit from 2006-07, it was not merely because of this restructuring of operating fees. The decision with regard to operational fee was taken by the TKHRL, the joint venture company, where the Board's decision is taken as final and hence the Government approval was not necessary.

9. The witness also stated that in 2000-01, when the total income was about ₹ 1945.40 lakh, the interest burden alone was ₹ 513 lakh and the overall performance of the company was severely affected by this huge interest burden. Major part of the total income, was seen to be generated by room rent and income from food. Even in years with sufficiently good income, the Company suffered heavy loss due to heavy financial charges. However, by overcoming the hurdles, the Company had started making profits from 2003-04 with decrease in these financial charges.

10. The Committee asked the witness to explain the reason for the cause of losses seen incurred after 1998. The witness explained that Taj Kumarakom

became operational very late and that the fund for Taj Varkala and Taj Thekkadi could be found only at the end of 1990. Only TKHRL was operational until then and thus they were able to make profit without much difficulties as it was a single property. While examining the unit wise performance, Taj Residency makes the bulk of the net profits and neither Taj Kumarakom nor Taj Varkala since they have only 35 and 40 rooms respectively.

11. The witness further explained that operating fees and other charges decreased year by year consequent to the increasing turnover. In 2002-03 a few rooms were constructed and Taj Kumarakom and Taj Varkala started functioning which further contributed to increase in income as well as revenue.

12. The Committee at this juncture pointed out that as a joint venture company, it had the responsibility to disclose the facts relating to the functioning and working of any company which came as part in the joint venture agreement. The witness expressed difference of opinion in this regard stating that it has to be admitted that the company did not in anyway compromise the interest of the Government.

13. The witness elaborated that in 2001, the paid up capital was increased with the intention of carrying out the development activities and paying off its liabilities. Thus the financial position of the company improved and a huge amount of capital was collected. The contention of the Comptroller and Auditor General was that the condition of the company being very bad during the time, it was not advisable for the Government to invest the money as was done. The opinion was very accurate while considering the situation during that period, though now it has become a profit making company.

14. In the joint venture company, the shareholdings of TRKL and IHCL are in the ratio 1:2, and as such the amount from the Government side is ₹ 11 crore and that from the company's side ₹ 22 crore. Thus, in the total paid up capital of ₹ 50 crore, Government and Company have the capital of ₹ 17.67 crore and ₹ 33.33 crore respectively. The Committee then remarked that when loss occurred, instead of sharing the burden of loss equally, it was the Government, which is seen to have suffered the most. The witness stated that the share of the Government was

not, strictly limited to 33%. If the amount contributed was less than Government's share it could have gone down from 33% of equity share. It was with the purpose of maintaining the previous status that the Government had invested the amount. Now the company is debt free, after wiping out all the accumulated loss in 2008-09. The Company now made a profit of ₹ 2.4 crore even after paying the tax. A sum of ₹ 83 lakh which is the value of 33% share Government holds had been given to Government as cash. At the commencement, the company had however availed loans from sources like TFCI and IFCI at very high interest rate of 20%.

15. The Committee at this point queried about the incident in which the Chartered Accountant authorised by the company suffered humiliation. The Secretary expressed difference of opinion in this regard and reported that they had in fact refused the demand of the Chartered Accountant for some information. Principal Secretary added that TRKL and TKHRL being separate corporate and autonomous entities, there stands no justification for TRKL to ask for the reports and workings of TKHRL. He added that the information could have been enquired in other ways. Apparently this provision was to find out highly serious irregularities and mistakes. The main problem arose when it was felt that the Government interest had not been protected.

16. The Committee enquired whether the financial status of TRKL had improved and further asked whether all the institutions under the TRKL are still functioning. The witness replied that TRKL is getting, on an average, ₹ 60 lakh as lease rent every year. Further, the property at Thekkadi had been sold out. In Kumarakom, some extra land had also been allotted for the expansion purpose, after which more rooms were constructed.

Conclusions/Recommendations

17. The Committee suspects an unholy intention on the part of TRKL in selecting Taj Group as JV partner, neither after giving adequate publicity nor after inviting leading hotel chains in the country for expression of interest. TRKL has lost the opportunity to get competitive offers in terms of lease rent and margin of income to maximize its profit share in the JV Company.

18. Thus the scope of TRKL to choose a competitive JV partner was forgone. Such an undue favour from officials of TRKL to Taj Group is suspected to be something mala fide. Hence in expressing its serious concern the Committee demands a clear and just explanation for such a selection of JV partner.

19. The Committee further notices that framing of the JV agreement with Taj without detailed study ended up in an agreement which could not safeguard the interest of the Government. This has inturn led to failure of TRKL in maximizing its profit share in the JV Company. It is therefore recommended that such favouritism which adversely affects the interest of the Government shouldn't be repeated in future. Government/TRKL should redefine the guidelines including draft JV agreements for forming JV Companies. As TRKL had only 20% shareholding in the JV Company TKHRL could neither control its affairs nor have effective participation in its management. Equal share participation should be ensured for JV partners. This would enable them to have adequate control over affairs of the JV Company by appointing equal number of directors and Chairman by rotation.

20. As per the JV agreement the Board of Directors of the JV Company shall consist of not less than three and not more than 12 members. However, without the consent of TRKL the size of Board of Directors was increased to 15 and TRKL didn't raise an objection on this. Further TRKL failed to nominate its fourth director, despite its right to do so. The Committee understands that representatives of TRKL in the JV Company have failed to discharge their duties effectively. The Company should find the officials who failed to carry out their responsibilities to safeguard the interest of the State and warn them with proper disciplinary actions. The Committee views these lapses to be very serious and directs that such negligence should not get repeated.

21. The Committee takes note of the fact that TKHRL had incurred excessive operating expenses during the 6 years up to 2005-06, comparing to the All India Average, thus bringing big shortfall in its operating profit. The exorbitant operating charges were agreed upon without giving due weight to the All India Average. This negligence brought about big losses to the exchequer. It is therefore recommended that such decisions in future should be taken only after proper study and analysis.

22. Despite TKHRL incurring losses IHCL had been charging heavily as Brand Common Costs and Central reservation system expenses from the JV Company. However there was clear failure on the part of nominee Directors of TRKL in bringing to the notice, the excessive charging of operating expenses to the Board of TKHRL, and to actively participate in TKHRL Board Meetings and seek explanation for poor performance of TKHRL. The Committee therefore desires to seek explanation of the nominee Directors not showing justice to their role. If the lapse is found, cognizable responsibility should be fixed to the alleged officials.

23. The Committee recommends that active participation of the Directors of TRKL in the Board Meeting should be ensured and they should exercise an effective control over the affairs of the company so as to check excessive operating expenses charged by the company and to safeguard the interest of the Government.

24. Refusal by TKHRL to provide records of the Company as demand for review by TRKL on the plea that its past performance had been reported to its Board which had sufficient representation from TRKL can't be justified. The Committee wants to know why on such a refusal, TRKL failed to approach Central Government/Company Law Board for special audit of affairs of the JV Company under Section 233A of the Companies Act 1956.

25. Oberoi Kerala Hotels and Resorts Limited (OKHRL) was found to have selected its two locations without proper feasibility study. Due to such a selection of sites the projects didn't materialize in view of non-viability of large capacity hotels and protests from Nature Society. This resulted in

blocking of equity investment amounting to ₹ 54.4 lakh and preliminary expenses amounting to ₹ 6.16 lakh. The Committee therefore finds that TRKL has high need to appoint independent experienced agencies as consultants and operators so as to avoid such blocking up of funds.

26. The Committee observes that lack of sound business principles and absence of prudent financial practices had paved the way for heavy accumulated loss of the Company. The Committee wants to know the reasons for the non-execution of lease agreement even though the Government property was transferred to the Company, way back in 1992. The Committee wants to furnish a report regarding the validity to permit the possession of land without executing a lease agreement.

27. TRKL should adopt commercial and professional practices for supervising, monitoring and managing its joint ventures.

Thiruvananthapuram,
11th December, 2014.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.

APPENDIX I

SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Department concerned	Conclusions/Recommendations
1	2	3	4
1	17	Tourism	The Committee suspects an unholy intention on the part of TRKL in selecting Taj Group as JV partner, neither after giving adequate publicity nor after inviting leading hotel chains in the country for expression of interest. TRKL has lost the opportunity to get competitive offers in terms of lease rent and margin of income to maximize its profit share in the JV Company.
2	18	”	Thus the scope of TRKL to choose a competitive JV partner was forgone. Such an undue favour from officials of TRKL to Taj Group is suspected to be something mala fide. Hence in expressing its serious concern the Committee demands a clear and just explanation for such a selection of JV partner.

1	2	3	4
3	19	Tourism	<p>The Committee further notices that framing of the JV agreement with Taj without detailed study ended up in an agreement which could not safeguard the interest of the Government. This has inturn led to failure of TRKL in maximizing its profit share in the JV Company. It is therefore recommended that such favouritism which adversely affects the interest of the Government shouldn't be repeated in future. Government/TRKL should redefine the guidelines including draft JV agreements for forming JV Companies. As TRKL had only 20% shareholding in the JV Company TKHRL could neither control its affairs nor have effective participation in its management. Equal share participation should be ensured for JV partners. This would enable them to have adequate control over affairs of the JV Company by appointing equal number of directors and Chairman by rotation.</p>
4	20	„	<p>As per the JV agreement the Board of Directors of the JV Company shall consist of not less than three and not more than 12 members. However, without the consent of TRKL the size of Board of Directors was</p>

1	2	3	4
			<p>increased to 15 and TRKL didn't raise an objection on this. Further TRKL failed to nominate its fourth director, despite its right to do so. The Committee understands that representatives of TRKL in the JV Company have failed to discharge their duties effectively. The Company should find the officials who failed to carry out their responsibilities to safeguard the interest of the State and warn them with proper disciplinary actions. The Committee views these lapses to be very serious and directs that such negligence should not get repeated.</p>
5	21	Tourism	<p>The Committee takes note of the fact that TKHRL had incurred excessive operating expenses during the 6 years up to 2005-06, comparing to the All India Average, thus bringing big shortfall in its operating profit. The exorbitant operating charges were agreed upon without giving due weight to the All India Average. This negligence brought about big losses to the exchequer. It is therefore recommended that such decisions in future should be taken only after proper study and analysis.</p>

1	2	3	4
6	22	Tourism	<p>Despite TKHRL incurring losses IHCL had been charging heavily as Brand Common Costs and Central reservation system expenses from the JV Company. However there was clear failure on the part of nominee Directors of TRKL in bringing to the notice, the excessive charging of operating expenses to the Board of TKHRL, and to actively participate in TKHRL Board Meetings and seek explanation for poor performance of TKHRL.</p> <p>The Committee therefore desires to seek explanation of the nominee Directors not showing justice to their role. If the lapse is found, cognizable responsibility should be fixed to the alleged officials.</p>
7	23	,,	<p>The Committee recommends that active participation of the Directors of TRKL in the Board Meeting should be ensured and they should exercise an effective control over the affairs of the company so as to check excessive operating expenses charged by the company and to safeguard the interest of the Government.</p>
8	24	,,	<p>Refusal by TKHRL to provide records of the Company as demand for review by TRKL on the plea that its past performance had been reported to its</p>

1	2	3	4
			Board which had sufficient representation from TRKL can't be justified. The Committee wants to know why on such a refusal, TRKL failed to approach Central Government/Company Law Board for special audit of affairs of the JV Company under Section 233A of the Companies Act 1956.
9	25	Tourism	Oberoi Kerala Hotels and Resorts Limited (OKHRL) was found to have selected its two locations without proper feasibility study. Due to such a selection of sites the projects didn't materialize in view of non-viability of large capacity hotels and protests from Nature Society. This resulted in blocking of equity investment amounting to ₹ 54.4 lakh and preliminary expenses amounting to ₹ 6.16 lakh. The Committee therefore finds that TRKL has high need to appoint independent experienced agencies as consultants and operators so as to avoid such blocking up of funds.
10	26	,,	The Committee observes that lack of sound business principles and absence of prudent financial practices had paved the way for heavy accumulated loss of the Company. The Committee wants to know the reasons for the non-execution

1	2	3	4
			of lease agreement even though the Government property was transferred to the Company, way back in 1992. The Committee wants to furnish a report regarding the validity of permit the possession of land without executing a lease agreement.
11	27	Tourism	TRKL should adopt commercial and professional practices for supervising, monitoring and managing its joint ventures.

APPENDIX II

NOTES FURNISHED BY GOVERNMENT ON THE AUDIT PARAGRAPHS

Sl. No.	Audit Paragraph	Reply furnished by Government
1	2	3
1	2.3.7 (2006-2007)	<p>1980-90 കാലഘട്ടങ്ങളിൽ ലോക ടൂറിസം ഭൂപടത്തിൽ വലിയ സ്ഥാനം ഇല്ലായിരുന്ന കേരളത്തിലേക്ക് വിനോദ സഞ്ചാരികളെ ആകർഷിക്കുന്നതിന് താജ് പോലെയുള്ള അന്താരാഷ്ട്ര ബ്രാന്റിംഗ് ഉള്ള ഒരു ഹോട്ടൽ ഗ്രൂപ്പിന്റെ സഹായം അത്യാവശ്യമായിരുന്നു. ഇന്ത്യയിലെ ഏറ്റവും പ്രമുഖ ഹോട്ടൽ വ്യവസായ ശൃംഖല താജ് ഗ്രൂപ്പിന്റെയാണ്. താജ് ഗ്രൂപ്പുമായി സംയുക്ത കരാറിൽ ഏർപ്പെട്ട് ഒരു സംയുക്ത കമ്പനി സ്ഥാപിച്ച് കേരളത്തിലെ പ്രമുഖ ടൂറിസം കേന്ദ്രങ്ങളിൽ അന്താരാഷ്ട്ര നിലവാരമുള്ള ഹോട്ടലുകൾ സ്ഥാപിക്കാൻ ടൂറിസ്റ്റ് റിസോർട്സ് കേരളയ്ക്ക് സാധിക്കുകയുണ്ടായി. ഇതിന്റെ ഫലമായി ഈ ടൂറിസം കേന്ദ്രങ്ങൾ അന്താരാഷ്ട്രതലത്തിൽ ശ്രദ്ധിക്കപ്പെടുകയും പ്രസ്തുത സ്ഥലങ്ങളിലേക്ക് പുതിയ സംരംഭകരെ ആകർഷിക്കുകയും ചെയ്തു. ഇത് കേരളത്തിൽ ടൂറിസം രംഗത്ത് ഒരു വൻ കുതിച്ചുചാട്ടത്തിന് കളമൊരുക്കുകയും ചെയ്തു. ഇന്ത്യയിലെ ഏറ്റവും പ്രമുഖ ഹോട്ടൽ ശൃംഖലയായതിനാലാണ് താജ് ഗ്രൂപ്പുമായി നേരിട്ട കൂടിയാലോചന നടത്തുകയും സംയുക്ത കരാറിൽ ഏർപ്പെടുകയും ചെയ്തത്. താജ് ഗ്രൂപ്പിനെ പോലെ ലോകോത്തര നിലവാരമുള്ള ഒരു ഹോട്ടൽ ഗ്രൂപ്പിനെ ആ കാലഘട്ടത്തിൽ ഒരു ടെണ്ടർ വിളിച്ച് കേരളത്തിലേക്ക് കൊണ്ടുവരാൻ ബുദ്ധിമുട്ടായിരുന്നു. ടാജ് ഗ്രൂപ്പിന്റെ അന്താരാഷ്ട്ര ബ്രാന്റ് പിൽക്കാലത്ത് മറ്റ് പ്രമുഖ ഹോട്ടൽ ഗ്രൂപ്പുകളേയും കേരളത്തിലേക്ക് ആകർഷിക്കാൻ വഴിവച്ചു. കേരളത്തിലെ പ്രമുഖ ടൂറിസം കേന്ദ്രങ്ങളിൽ താജ് ഗ്രൂപ്പിന്റെ നേതൃത്വത്തിലുള്ള ഹോട്ടലുകൾ ആരംഭിച്ചതുവഴി ധാരാളം വിദേശ വിനോദ സഞ്ചാരികളെ കേരളത്തിലേക്ക് എത്തിക്കാനും പുതിയ ഹോട്ടലുകൾ തുടങ്ങാനും കേരളത്തിന് ലോക ടൂറിസം ഭൂപടത്തിൽ</p>

1	2	3
		<p>ഇപ്പോൾ ഉള്ള സ്ഥാനം ലഭിക്കുന്നതിനും ഒരു കാരണമായിട്ടുണ്ട്. ഇതിന്റെ ഫലമായി ടൂറിസം രംഗത്ത്, കേരളത്തിന് ഉണ്ടായിട്ടുള്ള നേട്ടങ്ങൾ വിസ്മരിക്കാവുന്നതല്ല. ഇപ്രകാരം കേരളത്തിലെ ടൂറിസം രംഗത്ത് പൊതുവായി ഉണ്ടായ നേട്ടങ്ങൾ കൂടി പരിഗണിക്കുമ്പോൾ അക്കാലത്ത് സംസ്ഥാന സർക്കാർ താജ് ഗ്രൂപ്പിനെ കേരളത്തിൽ സംരംഭങ്ങൾ തുടങ്ങാൻ അനുവദിച്ചത് ഉചിതമായ ഒരു തീരുമാനമായി കണക്കാക്കാവുന്നതാണ്.</p>
2	2.3.8 (2006-07)	<p>താജ് ഗ്രൂപ്പുമായുള്ള സംയുക്ത സംരംഭ കരാർ സംസ്ഥാനത്തെ (ഇന്ത്യയിലെ തന്നെ) ഇത്തരത്തിലുള്ള ആദ്യത്തെ കരാർ ആയിരുന്നു. സർക്കാരിന്റെ താല്പര്യങ്ങൾ പരമാവധി സംരക്ഷിച്ചും കൊണ്ടാണ് കരാറിൽ ഏർപ്പെട്ടത്. കരാർ സംബന്ധിച്ച് സൂചിപ്പിക്കപ്പെട്ട പോരായ്മകളെ കുറിച്ചുള്ള മറുപടി താഴെ കൊടുത്തിരിക്കുന്നു.</p>
3	2.3.9 (2006-2007)	<p>ടൂറിസ്റ്റ് റിസോർട്സ് കേരളാ ലിമിറ്റഡിനെ ഇപ്പോൾ സംയുക്ത കമ്പനിയായി (ടി.കെ.എച്ച്.ആർ.എൽ.-ൽ) 33.33% ഓഹരി മൂലധനം ഉണ്ട്. കമ്പനീസ് നിയമം അനുസരിച്ച് 25% മുകളിൽ ഓഹരി മൂലധനം ഉണ്ടെങ്കിൽ കമ്പനിയുടെ പ്രധാനപ്പെട്ട കാര്യങ്ങളിൽ നിയന്ത്രണം കിട്ടും. അതുപോലെ തന്നെ ടി.കെ.എച്ച്.ആർ.എൽ.-ന്റെ ഡയറക്ടർ ബോർഡിൽ സംസ്ഥാന സർക്കാർ പ്രതിനിധികളായി സെക്രട്ടറി (ടൂറിസം), സെക്രട്ടറി (ധനകാര്യം), കെ.ടി.ഡി.സി. മാനേജിംഗ് ഡയറക്ടർ എന്നിവർ അംഗങ്ങളാണ്. എല്ലാ പ്രധാനപ്പെട്ട നയപരമായ കാര്യങ്ങളിലും സർക്കാർ പ്രതിനിധികൾ വളരെ ഫലപ്രദമായി ഇടപെടുന്നുണ്ട്. ഇതിനെ തുടർന്ന് ടി.കെ.എച്ച്.ആർ.എൽ.-ന്റെ പ്രവർത്തനത്തിലും വൻ പുരോഗതി രേഖപ്പെടുത്തിയിട്ടുണ്ട്. കഴിഞ്ഞ ആറു വർഷമായി ടി.കെ.എച്ച്.ആർ.എൽ. അറ്റാദായം നേടിയിട്ടുണ്ട്. 2008-2009 സാമ്പത്തിക വർഷത്തോടെ സഞ്ചിത നഷ്ടം പൂർണ്ണമായും നികത്തുകയും ആദ്യമായി ലാഭവിഹിതം പ്രഖ്യാപിക്കുകയും ചെയ്തു.</p>

1	2	3
		<p>2008-2009 സാമ്പത്തികവർഷം 5% ഡിവിഡന്റ് (2.5 കോടി രൂപ) ഓഹരി ഉടമകൾക്ക് നൽകുകയുണ്ടായി. ഇപ്രകാരം 83.33 ലക്ഷം രൂപ ലാഭവിഹിതമായി ടി.ആർ.കെ.എൽ.-ന് ലഭിക്കുകയുണ്ടായി. ഇതിനുപുറമെ 61 ലക്ഷം രൂപ ലീസ് റെന്റ് ഇനത്തിലും ടി.ആർ.കെ.എൽ.-ന് ടി.കെ.എച്ച്.ആർ.എൽ.-ൽ നിന്നും കഴിഞ്ഞ വർഷം ലഭിക്കുകയുണ്ടായി.</p>
4	<p>2.3.10 (2006-2007)</p>	<p>ജെ.വി. കരാറനുസരിച്ച് ബോർഡിൽ ടി.ആർ.കെ.എല്ലിന് 4 അംഗങ്ങൾ വരെ ഉൾപ്പെടുത്താമെങ്കിലും 3 ഡയറക്ടർമാരെ നിയോഗിച്ചിട്ടുണ്ട്. ഇവരിലൂടെ ടി.ആർ.കെ.എല്ലിന്റെ അവകാശങ്ങൾ സംരക്ഷിക്കപ്പെട്ടിട്ടുണ്ട്.</p>
5	<p>2.3.11 (2006-2007)</p>	<p>ടി.കെ.എച്ച്.ആർ.എൽ.-ന് ഇപ്പോൾ സംയുക്ത കമ്പനിയിൽ 3 ഓഹരി മൂലധനമുണ്ട്. 2008-2009 ആയപ്പോഴേക്കും സഞ്ചിതനഷ്ടം പൂർണ്ണമായും തുടച്ചുമാറ്റാനും ആദ്യമായി ലാഭവിഹിതം പ്രഖ്യാപിക്കാനും സാധിച്ചു. ഇപ്പോഴത്തെ ടി.കെ.എച്ച്.ആർ.എൽ.-ന്റെ സാമ്പത്തിക സ്ഥിതിയും കമ്പോള നിലവാരവും കണക്കിലെടുക്കുമ്പോൾ മുതൽമുടക്ക് നടത്തിയത് ഉചിതമായ ഒരു തീരുമാനം ആയിരുന്നുവെന്ന് കണക്കാക്കാവുന്നതാണ്. ഇപ്പോഴത്തെ നിലവാരം അനുസരിച്ച് ജെ.വി. കമ്പനിക്ക് വേണമെങ്കിൽ ഓഹരികൾ കമ്പോളത്തിൽ പുറത്തിറക്കുന്ന കാര്യം പരിഗണിക്കാവുന്നതാണ്. ടി.കെ.എച്ച്.ആർ.എല്ലിന്റെ നിയന്ത്രണം ഐ.എച്ച്.സി.എല്ലിന്റെ പക്കലല്ല ടി.ആർ.കെ.എല്ലിന്റെ 3 ഡയറക്ടർമാർ ഉൾപ്പെടുന്ന ബോർഡിന്റെ പക്കലാണ്.</p>
6	<p>2.3.12 (2006-2007)</p>	<p>സ്ഥലത്തിന്റെ മൂല്യം അന്നത്തെ വിലയനുസരിച്ച് ജില്ലാ കളക്ടറാണ് നിശ്ചയിച്ചിട്ടുള്ളത്. കമരകത്തെ സ്ഥലത്തിന് പിന്നീട് വിലകൂടാനുള്ള മുഖ്യകാരണം ടാജ് ഗ്രൂപ്പിന്റെ ഹോട്ടൽ അവിടെ തുടങ്ങിയതു കാരണമാണ്. കമരകത്തെ അധിക സ്ഥലത്തിന് 1998-ൽ ഉയർന്ന വിലയാണ് കണക്കാക്കിയത്. വസ്തു കൈമാറ്റം ചെയ്ത വർഷം മുതൽ പാട്ടത്തുക ടി.ആർ.കെ.എല്ലിന് ലഭിച്ചുവരുന്നുണ്ട്.</p>

1	2	3
7	2.3.13 (2006-2007)	<p>ടി.കെ.എച്ച്.ആർ.എൽ.-നു വേണ്ടി ഐ.എച്ച്.സി.എല്ലുമായി കരാറിൽ ഏർപ്പെടുമ്പോൾ അന്നത്തെ കാലത്ത് പൊതുവിൽ ഹോട്ടൽ നടത്തിപ്പു കരാറുകളിൽ നിലനിന്നിരുന്ന വ്യവസ്ഥകൾ ഉൾപ്പെടുത്തിയാണ് കരാർ രൂപീകരിച്ചത്. ആദ്യ കാലഘട്ടത്തിൽ നഷ്ടത്തിൽ പ്രവർത്തിച്ചുവന്ന ടി.കെ.എച്ച്.ആർ.എൽ. 2003-2004 സാമ്പത്തികവർഷം മുതൽ ലാഭത്തിലേക്ക് വന്നിട്ടുണ്ട്. ടി.കെ.എച്ച്.ആർ.എൽ. 2008-2009 ആയപ്പോഴേക്കും സഞ്ചിതനഷ്ടം പൂർണ്ണമായും നികത്താനും സാധിച്ചിട്ടുണ്ട്. കൂടാതെ, ടി.കെ.എച്ച്.ആർ.എൽ.-ന്റെ ഡയറക്ടർ ബോർഡിൽ ഉള്ള സർക്കാർ പ്രതിനിധികളുടെ അഭ്യർത്ഥന പരിഗണിച്ച് ഐ.എച്ച്.സി.എൽ., പ്രവർത്തനകരാർ പ്രകാരമുള്ള വ്യവസ്ഥകളിൽ 2005-2006 സാമ്പത്തിക വർഷത്തിന്റെ അവസാന പകുതി മുതൽ 2006-07, 2007-08, 2008-09 വരെ താഴെപ്പറയുന്ന ഇളവുകൾ നൽകുകയുണ്ടായി:</p> <p>(1) 2005, ഒക്ടോബർ 1 മുതൽ 2006 മാർച്ച് 31 വരെയുള്ള കാലയളവിൽ യാതൊരുവിധ പ്രത്യക്ഷ ചെലവുകളും (വ്യാവസായിക സേവനങ്ങൾ, CRS/CIS ചെലവുകൾ, നേരിട്ടല്ലാതെയുള്ള പരസ്യം/പ്രൊമോഷൻ ചെലവുകൾ) കമ്പനിയിൽ നിന്നും ഈടാക്കുന്നതല്ല.</p> <p>(2) 2006-07 സാമ്പത്തിക വർഷം മുതൽ അടുത്ത മൂന്ന് സാമ്പത്തിക വർഷങ്ങളിലേക്ക് മേല്പറഞ്ഞ ആകെ പരോക്ഷ ചെലവുകൾ, കമ്പനി, നികുതികൾക്ക് മുൻപ് ലാഭം നേടുകയാണെങ്കിൽ മാത്രം ഈടാക്കുന്നതും ഈ ചെലവുകൾ വാർഷിക ടേണോവറിന്റെ 2%-ൽ കൂടാതെ പരിമിതപ്പെടുത്തുന്നതുമാണ്.</p> <p>(3) 2006-07 സാമ്പത്തിക വർഷം മുതൽ അടുത്ത മൂന്ന് സാമ്പത്തിക വർഷങ്ങളിലേക്ക് മൊത്തലാഭത്തിന്റെ 10% ആയ ഇൻസെന്റീവ് ഫീസ്, കമ്പനി, നികുതികൾക്ക് മുൻപ് ലാഭം നേടുകയാണെങ്കിൽ മാത്രമേ ഈടാക്കുകയുള്ളൂ.</p> <p>(4) നേരിട്ടുള്ള പരസ്യം/പ്രൊമോഷൻ ചെലവുകളടക്കമുള്ള പ്രത്യക്ഷ ചെലവുകൾ കമ്പനിയുടെ വാർഷിക ബജറ്റിന്റെ ഭാഗമായി അവതരിപ്പിക്കുന്നതാണ്. ഇപ്പോൾ ലാഭകരമായിട്ടാണ്</p>

1	2	4										
		<p>ടി.കെ.എച്ച്.ആർ.എൽ. പ്രവർത്തിച്ചു വരുന്നത്. ലാഭവിഹിതം പ്രഖ്യാപിക്കാൻ തുടങ്ങിയതോടുകൂടി മുതൽമുടക്ക തിരികെ ലഭിക്കുവാനും ആരംഭിച്ചിട്ടുണ്ട്. കൂടാതെ ഓഹരികളുടെ മൂല്യവും വർദ്ധിച്ചിട്ടുണ്ട്.</p>										
8	2.3.14 (2006-2007)	<p>ടി.കെ.എച്ച്.ആർ.എല്ലിന്റെ പ്രവർത്തനത്തിൽ ഇക്കഴിഞ്ഞ കുറെ വർഷങ്ങളായി നല്ല പുരോഗതി ഉണ്ടായിട്ടുണ്ട്. കമ്പനിയുടെ കഴിഞ്ഞ നാലു സാമ്പത്തിക വർഷത്തെ അറ്റാദായത്തിന്റെ (നികുതികൾക്കുശേഷം ഉള്ള) കണക്കിൽ നിന്നും ഈ കാര്യം ബോധ്യപ്പെടുന്നതാണ്.</p> <p style="text-align: right;">(രൂപ ലക്ഷത്തിൽ *)</p> <table border="1" data-bbox="362 639 997 986"> <thead> <tr> <th data-bbox="362 639 596 708">വർഷം</th> <th data-bbox="596 639 997 708">അറ്റാദായം (നികുതികൾക്കുശേഷം)</th> </tr> </thead> <tbody> <tr> <td data-bbox="362 708 596 777">2005-06</td> <td data-bbox="596 708 997 777">323.53</td> </tr> <tr> <td data-bbox="362 777 596 845">2006-07</td> <td data-bbox="596 777 997 845">533.29</td> </tr> <tr> <td data-bbox="362 845 596 914">2007-08</td> <td data-bbox="596 845 997 914">728.87</td> </tr> <tr> <td data-bbox="362 914 596 983">2008-09</td> <td data-bbox="596 914 997 983">807.57</td> </tr> </tbody> </table> <p>* As per audited accounts</p> <p>2008-09 സാമ്പത്തിക വർഷത്തോടെ സഞ്ചിത നഷ്ടം പൂർണ്ണമായും നികത്തുകയും ആദ്യമായി ടി.കെ.എച്ച്.ആർ.എൽ. 2.5 കോടി രൂപ ലാഭവിഹിതമായി ഓഹരി ഉടമകൾക്ക് നൽകുകയും ഉണ്ടായി. ഇപ്പോഴത്തെ കമ്പനിയുടെ പ്രവർത്തനം അനുസരിച്ച് വരുന്ന പത്ത് വർഷങ്ങളിൽ ടി.കെ.എച്ച്.ആർ.എല്ലിന്റെ മുതൽ മുടക്ക് പൂർണ്ണമായും തിരികെ ലഭിക്കുമെന്ന് പ്രതീക്ഷിക്കുന്നു. ഇതിനു പുറമെ ഓഹരിയുടെ മൂല്യവും വൻതോതിൽ വർദ്ധിക്കുന്നതാണ്.</p>	വർഷം	അറ്റാദായം (നികുതികൾക്കുശേഷം)	2005-06	323.53	2006-07	533.29	2007-08	728.87	2008-09	807.57
വർഷം	അറ്റാദായം (നികുതികൾക്കുശേഷം)											
2005-06	323.53											
2006-07	533.29											
2007-08	728.87											
2008-09	807.57											
9	2.3.15 (2006-07)	<p>ബോർഡ് യോഗങ്ങളിൽ ടി.ആർ.കെ.എല്ലിന്റെ ഡയറക്ടർമാർ കാലാകാലങ്ങളിൽ ഫലപ്രദമായി ഇടപെട്ടിട്ടുണ്ട്.</p>										

1	2	3
10	2.3.16 (2006-07)	<p>ജെ.വി. കമ്പനിയുടെ കണക്കുകൾ ഓരോ നാലു മാസം കൂടുംതോറും കമ്പനിയുടെ ഡയറക്ടർ ബോർഡ് യോഗങ്ങളിൽ ഇപ്പോൾ കൃത്യമായി വിശകലനം ചെയ്ത് വരുന്നുണ്ട്. ചാർട്ടേർഡ് അക്കൗണ്ടന്റ് പരിശോധിച്ച കണക്കുകളാണ് ബോർഡിന്റെ പരിഗണനയ്ക്ക് വരുന്നത്. ഇത് എല്ലാ ഡയറക്ടർ ബോർഡ് അംഗങ്ങൾക്കും മുൻകൂട്ടി നൽകി വരുന്നുണ്ട്.</p>
11	2.3.17-2.3.19	<p>ജെ.വി. കമ്പനിയായ ഓബറോയ് കേരള ഹോട്ടൽസ് ആന്റ് റിസോർട്ട്സ് (ഒ.കെ.എച്ച്.ആർ.എൽ.)-ന്റെ അടച്ച് തീർത്ത മൂലധനം 2.72 കോടി രൂപയാണ്. ഇതിൽ 54 ലക്ഷം ടി.ആർ.കെ.എൽ.-ന്റെ മുതൽമുടക്കും 217.6 ലക്ഷം ഇ.ഐ.എച്ച്. ലിമിറ്റഡിന്റെ മുതൽമുടക്കും ആണ്. ഒ.കെ.എച്ച്.ആർ.എൽ.-ന്റെ നിക്ഷേപം പദ്ധതി തുടങ്ങാനുള്ള സ്ഥലം വാങ്ങാനും മറ്റ് പൊതു ചെലവുകൾക്കും ആണ് ഉപയോഗിച്ചിട്ടുള്ളത്. ആറ് അംഗങ്ങളുള്ള കമ്പനിയുടെ ഡയറക്ടർ ബോർഡിൽ, മൂന്ന് അംഗങ്ങൾ കേരള സർക്കാർ പ്രതിനിധികളാണ്. കമ്പനിയുടെ നിയന്ത്രണത്തിലല്ലാത്ത ബാഹ്യ കാരണങ്ങൾകൊണ്ട് ഇതുവരെ കമ്മ്യൂൺ ഓപ്പറേഷനുകൾ തുടങ്ങുവാൻ സാധിച്ചിട്ടില്ല. അന്താരാഷ്ട്ര സാഹചര്യത്തിൽ കമ്പനിയിൽ കൂടുതൽ നിക്ഷേപം നടത്തേണ്ടതില്ല എന്ന് 6-10-2003-ൽ ചേർന്ന ടി.ആർ.കെ.എൽ.-ന്റെ 64th ബോർഡ് യോഗം തീരുമാനിച്ചിട്ടുണ്ട്.</p>

