

INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

1 GENERAL INFORMATION

The Company was incorporated u/s 25 of the Companies Act, 1956, on 30.12.1976 as Trade Fair Authority of India (TFAI) with the objective of promoting India's trade primarily through the medium of organising trade fairs and exhibitions in India and abroad. Subsequent to the merger of erstwhile Trade Development Authority of India with TFAI on 1.1.1992, the merged organisation was renamed as India Trade Promotion Organisation duly approved by Registrar of Companies on 16.04.1992. The Company is the apex trade promotion body of the Government of India and functions under the administrative control of the Department of Commerce in the Ministry of Commerce and Industry.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a** The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and applicable Accounting Standards notified u/s 133 as well as other provisions of the Companies Act, 2013, subject to what is stated hereinafter.
- b** The Company follows the accrual system of accounting and recognises significant items of income and expenditure on accrual basis with the exceptions stated below:-
 - i)** Leave Travel Concession expenses are accounted for in the year in which LTC is availed.
 - ii)** Remission of demurrage including those on behalf of other parties, on settlement.
 - iii)** Claims for liquidated damages from contractors for delayed execution of work, when the amount is finally determined and agreed upon.
 - iv)** Subscription fees from associate subscribers and service charges from regular subscribers on receipt. However, subscription fee received in advance is accounted for in the relevant year for which it pertains.
- c** Grants are taken to capital or revenue account as per nature of expenditure. Specific capital grants for fixed assets are reduced from the cost of specific fixed assets. Grants are recognised in the accounts when there is a reasonable assurance that Grants will be received.

2.2 REVENUE RECOGNITION

- a** Expenditure/Income of Fairs/Exhibitions held in India and abroad, is accounted for in the year in which the event commences. However, in case of long term events having duration of three months or more, spread over two accounting periods, major period of which falls in the subsequent accounting period, the surplus/deficit of such event is accounted for in the year in which the event concludes.
- b** Cost of exhibits of the Company and items of interior decoration displayed at fairs, are treated as revenue expenditure. However, new exhibits in stock for utilization in future fairs are treated as closing stock.
- c** Provision for expenses is made on estimated basis, where bills are awaited and expenditure pertaining to the current year is yet to be incurred.
- d** Expenditure incurred through CPWD on Civil, Electrical and Horticulture work, is accounted for on the basis of accounts rendered by them.
- e** Income and Expenditure relating to earlier years, not exceeding Rs.10,000 in each case, are treated as pertaining to current year.
- f** Income from dividend is accounted for as and when declared.
- g** In cases where contracts with licensee(s) have expired, dues are accounted for provisionally on the basis of expired contracts/revised accords till final decision in the matter is reached/revised contracts executed.

2.3 FIXED ASSETS

Fixed Assets are stated at cost, net of "grants received", "accumulated depreciation" and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the assets.

2.4 IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each reporting date to determine whether there is any indication of Impairment. If any such indication exists, then the assets' recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Income & Expenditure.

2.5 DEPRECIATION

- a** Assets costing Rs.5,000 or less individually are depreciated @ 100%.
- b** Depreciation is calculated on the straight line method on pro-rata basis from/up to the month of addition/deletion based on useful life of the assets determined by the management considering the activities of the organisation. The useful life of the assets is not higher than the useful life prescribed in Schedule II of the Companies Act, 2013.
- c** Leasehold land acquired on perpetual lease basis is not amortized.

2.6 INTANGIBLE ASSETS

The cost of the Softwares acquired or developed internally are written off equally over a period of three years from the year in which the software is available for use.

2.7 INVESTMENTS

Current Investments are carried at the lower of the cost or market value. Long term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if decline in value is other than temporary in the opinion of the management.

2.8 EMPLOYEES' BENEFITS

The liability for Gratuity and Leave Encashment is provided for on the basis of actuarial valuation made at the end of the year, keeping in view the rules of the organisation on the subject.

2.9 CURRENT ASSETS

- a** Sundry debtors and advances are stated net of provisions for doubtful debts in respect of dues outstanding for more than three years, or otherwise except cases where the Company is hopeful of recovery.
- b** Inventories are valued at lower of the cost or net realizable value.

2.10 FOREIGN CURRENCIES

- a** Assets and Liabilities denominated in Foreign Currency are translated at the rate of exchange prevalent on the date of balance sheet and the resultant difference is accounted for as gain or loss in exchange.
- b** Items of income and expenditure relating to foreign currency transactions are accounted for at the average rate of remittances abroad.
- c** The fixed assets are accounted at the average rate of remittance(s) in the year of acquisition. In case previous funds are utilised, average rate of the previous remittance(s) is taken for the purpose of conversion.

2.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include Cash in hand, Drafts/Cheques in hand, Bank Balances, Deposits with Banks and Short term Investments with an original maturity of 3 months or less.

3 SHARE CAPITAL

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Authorised 50,000 Equity Shares of Rs. 100 each	50,00,000	50,00,000
Issued, Subscribed & Fully paid-up 25,000 Equity Shares of Rs. 100 each fully paid up	25,00,000	25,00,000
	25,00,000	25,00,000

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2015	
	No. of shares	(Rs.)
Equity Shares:		
At the beginning of the period	25,000	25,00,000
Issued during the year	0	0
Outstanding at the end of the period	25,000	25,00,000

b. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity share is entitled to one vote per share. Since the Company is incorporated u/s 25 of Companies Act, 1956, it is prohibited from distribution of surplus, if any, or other income of the Company to its members by way of dividend, bonus shares or otherwise.

In the event of winding up or dissolution of the Company, if there remains, after the satisfaction of all the debts and liabilities and return of original capital to the Government, any property whatsoever, the same shall not be distributed amongst the members of the company but shall be given or transferred to such other company having objects similar to the objects of the company to be determined by the members of the company at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

c. Details of Shareholders holding more than 5% shares in the Company

	As at 31.03.2015	
	No. of shares	% age
Equity Shares of Rs. 100 each fully paid Government of India	25,000	100

4 RESERVES AND SURPLUS

	As at 31.03.2015	As at 31.03.2014
	(Rs.)	(Rs.)
Capital Reserves		
(a) Capital Grant from Government of India (Fully Utilised)#		
-Balance as per the last financial statement	62,90,83,618	62,90,83,618
-Additions during the Year	0	0
-Adjustments/deductions	0	0
Closing Balance	62,90,83,618	62,90,83,618
(b) Other Reserves ##		
-Balance as per the last financial statement	71,21,985	71,21,985
-Additions during the Year	21,10,836	0
-Adjustments/deductions	0	0
Closing Balance	92,32,821	71,21,985
Surplus/ deficit as per Income and Expenditure Account		
Balance as per the last financial statement	12,29,05,67,252	10,49,04,44,749
Less: Appropriations relating to Fixed Assets [Refer Note 10(iv)]	48,03,018	0
Add: Surplus for the year	2,07,84,82,795	1,80,01,22,503
Closing Balance	14,36,42,47,029	12,29,05,67,252
	15,00,25,63,468	12,92,67,72,855

Includes unspecified grant of Rs.49,65,61,618 received in earlier years from the Administrative Ministry for creation of infrastructural facilities at Pragati Maidan Complex.

##Represents excess of assets over liabilities of organisations merged with the Company and excess of amounts realised on sale of assets over their acquisition cost, etc.

5 OTHER LONG TERM LIABILITIES

	As at 31.03.2015	As at 31.03.2014
	(Rs.)	(Rs.)
Others		
Income Received in Advance	5,20,58,299	5,53,37,404
	5,20,58,299	5,53,37,404

6 LONG TERM PROVISIONS

	As at 31.03.2015	As at 31.03.2014
	(Rs.)	(Rs.)
Provision for Employees' Benefits		
-Leave Enchashment (Refer Note 35)	17,03,90,141	13,92,54,279
	17,03,90,141	13,92,54,279

7 TRADE PAYABLES

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Trade Payables #	12,41,03,640	12,61,85,606
	12,41,03,640	12,61,85,606

DUES TO MICRO,SMALL & MEDIUM ENTERPRISES

There are no Micro, Small & Medium Enterprises to whom the Company owes dues as at 31st March 2015. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined on the basis of information available with the Company.

8 OTHER CURRENT LIABILITIES

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Income Received in Advance	22,11,62,830	28,14,48,642
Security Deposits	3,30,37,214	3,29,27,195
Advance Payments and Deposits	25,74,91,104	23,78,01,695
Employees' Benefits Payable	3,00,97,351	3,46,19,047
Statutory Dues	1,22,42,364	1,42,10,622
Other Payables	1,12,54,434	2,88,07,430
	56,52,85,297	62,98,14,631

9 SHORT TERM PROVISIONS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
(a) Provision for Employees' Benefits		
-Gratuity (Refer Note 35)	3,32,24,606	2,32,11,870
-Leave Enchashment (Refer Note 35)	1,89,01,652	1,92,32,708
-Performance Related Pay/ Performance Incentive #	29,46,00,000	27,26,93,046
(b) Others		
-Provision for Refund of Contingency Charges	1,14,21,109	1,32,36,220
	35,81,47,367	32,83,73,844

The Provision is in accordance with the guidelines of the Department of Public Enterprises (DPE) on the subject. During the year 2012-13, the Member Audit Board (MAB) had observed that as per the DPE Guidelines dated 26.11.2008, the Performance Related Pay (PRP) Scheme is not applicable to the Company as ITPO is incorporated u/s 25 of the Companies Act, 1956, which prohibits distribution of profits. On the basis of draft audit para, the Department of Commerce (DOC) vide Office Memorandum(OM) dated 30.09.2013 conveyed that ITPO, being a Section 25 Company, is ineligible for PRP.

The Company clarified to MAB & DOC that the DPE Guidelines on revision of pay scales w.e.f. 1.1.2007, which inter-alia includes payment of PRP, are applicable to all profit generating PSEs and the guidelines nowhere state that these are not applicable to PSEs incorporated u/s 25 of the Companies Act, 1956. The MAB vide letter dated 28.04.2014 has conveyed that it has been decided not to pursue the draft audit para any further by their office. Accordingly, the DOC has been requested by the company to issue revise OM in this regard, which is awaited.

Pending formulation of the PRP/ Performance Incentive scheme, ad-hoc payments amounting to Rs. 139,484,131 (Previous Year Rs. 117,467,834) have been released to the employees till 31.3.2015 as 'Interest free advances' on the undertaking from them that the amounts released would be recovered or adjusted as per the decision on the subject.

11 NON-CURRENT INVESTMENTS (AT COST)

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
(a) Trade Investments Unquoted		
2,00,000 equity shares of Rs.100 each fully paid in National Centre for Trade Information (Joint Venture Company)	2,00,00,000	2,00,00,000
51 equity shares of Rs.1,000 each fully paid in Tamilnadu Trade Promotion Organisation (Subsidiary Company)	51,000	51,000
2,550 equity shares of Rs.1,000 each fully paid in Karnataka Trade Promotion Organisation (Subsidiary Company)	25,50,000	25,50,000
99,450 equity shares of Rs.1,000 each in Karnataka Trade Promotion Organisation (Subsidiary Company), application money pending allotment	9,94,50,000	9,94,50,000
	12,20,51,000	12,20,51,000
(b) Others Unquoted		
5 shares of Rs.50 each in Sea Glimpse Cooperative Housing Society, Mumbai	250	250
	12,20,51,250	12,20,51,250

(i) Aggregate amount of Unquoted Investments	12,20,51,250	12,20,51,250
(ii) Aggregate provision for diminution in value of investments	Nil	Nil

12 LONG-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Capital Advances	22,93,428	2,22,25,682
Loans & Advances		
Advance to TNTPO - Subsidiary Company	2,15,54,633	0
Advance to KTPO -Subsidiary Company [Refer Note 29 (a)]	7,73,76,950	7,73,76,950
Other Loans & Advances		
Advances to Employees #	4,96,39,086	3,70,53,565
Prepaid Expenses	7,926	2,50,158
Sundry Deposits	2,11,03,749	1,77,78,005
Less: Provison for Doubtful Sundry Deposits	-14,56,340	-13,80,599
	1,96,47,409	1,63,97,406
	17,05,19,432	15,33,03,761

Includes

a) Due from Directors	Nil	Nil
b) Due from officers in the nature of loan	10,82,325	7,49,750
c) Fully secured/secured against personal guarantee	1,98,47,928	1,07,91,674

13 OTHER NON-CURRENT ASSETS (SECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Others		
Interest Accrued on Advances to Employees	3,64,50,925	3,51,06,361
	3,64,50,925	3,51,06,361

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2015 (CONTD.)

14 CURRENT INVESTMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Quoted (at cost)		
205,383 (previous year 185,096) units of Rs. 10 each in UTI-Balance Fund Scheme under reinvestment plan	29,71,844	24,01,212
	29,71,844	24,01,212

(i) Market value of quoted investments	60,72,025	46,73,433
(ii) Aggregate provision for diminution in the value of investments	Nil	Nil

15 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Outstanding for a period exceeding six months from the date they became due for payment		
-Considered Good	1,98,28,505	3,16,74,385
-Considered Doubtful	14,64,00,370	14,30,88,357
	16,62,28,875	17,47,62,742
Less: Provision for Doubtful Receivables	-14,64,00,370	-14,30,88,357
	1,98,28,505	3,16,74,385
Outstanding for a period less than six months from the date they became due for payment		
-Considered Good	4,89,89,295	5,32,30,136
-Considered Doubtful	45,65,501	0
	5,35,54,796	5,32,30,136
Less: Provision for Doubtful Receivables	-45,65,501	0
	4,89,89,295	5,32,30,136
	6,88,17,800	8,49,04,521

16 CASH & CASH EQUIVALENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Cash & Cash Equivalents		
-Balances with Banks in Current/Saving Accounts #	28,78,13,729	64,13,06,332
-Drafts /Cheques on Hand	1,09,43,520	6,20,898
-Cash on Hand	2,60,518	4,68,533
-Postage Imprest	2,23,871	24,626
	29,92,41,638	64,24,20,389
Other Bank Balances		
-Bank Deposits with more than 3 months but upto 12 months original maturity	10,06,99,99,999	4,62,00,00,000
-Bank deposits with original maturity for more than 12 months	2,09,00,00,000	5,45,00,00,000
	12,45,92,41,637	10,71,24,20,389

Includes

(i) Lying in foreign countries	16,29,806	17,79,478
(ii) Out of (i) above, unconfirmed on the date of the Balance Sheet	6,71,383	7,94,516

17 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Loans & Advances to Subsidiaries		
-TNTPO	1,10,03,027	3,75,623
-KTPO	64,78,379	62,78,651
Others		
Advances to Employees #	18,11,01,837	14,79,91,452
Advances to Parties	5,82,25,532	10,27,75,381
	23,93,27,369	25,07,66,833
Less: Provision for Doubtful Advances	-78,53,446	-59,05,565
	23,14,73,923	24,48,61,268
Service Tax Recoverable	9,52,27,908	10,02,364
Income Tax / TDS Recoverable	1,31,82,48,615	1,02,32,57,216
Less: Provision for Doubtful Recovery of TDS	-3,10,40,768	-3,58,60,291
	1,28,72,07,847	98,73,96,925
Prepaid Expenses	46,36,793	1,24,79,032
Inter-Corporate Deposits	75,00,00,000	75,00,00,000
	2,38,60,27,877	2,00,23,93,863

Includes

a) Due from Directors / Ex-Directors	85,691	2,75,211
b) Due from Officers in the nature of loan	10,46,700	9,52,750
c) Fully secured/secured against personal guarantee	89,89,596	2,04,29,329

18 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Grant recoverable from Government of India	4,97,04,539	11,50,30,619
Less: Provision for Doubtful Recovery of Grant	-3,63,05,110	-4,45,97,701
	1,33,99,429	7,04,32,918
Interest Accrued on Saving Bank Accounts / Deposits	48,41,13,254	43,62,83,252
Interest Accrued on Advances to Employees	48,41,362	42,21,940
Consumable Stores (valued at cost)	8,19,976	8,61,628
Due from Indian Missions Abroad	1,33,591	1,44,646
Due from parties in respect of Deposit Works	44,71,820	44,71,820
Less: Provision for Doubtful Dues	-38,99,183	-38,99,183
	5,72,637	5,72,637
	50,38,80,249	51,25,17,021

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2015 (CONTD.)

19 REVENUE FROM OPERATIONS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Space Rent (Net) #	2,19,78,38,622	2,05,40,49,791
Sale of Entry Tickets / Seasonal Passes	8,68,92,321	7,80,73,418
Sale of Publications	7,02,200	6,91,420
Advertisement (Publications)	30,53,126	25,28,971
Hoardings	95,29,194	18,17,615
Subscription Fee	12,14,324	12,51,976
Various Services Provided	2,70,52,151	4,77,90,426
Recovery of Electricity & Water Charges	9,33,80,457	8,73,61,051
	2,41,96,62,395	2,27,35,64,668

Rs. 24,079,000 has not been recognised as income for the year (cumulative upto 31.03.2015 - Rs. 299,812,148) in accordance with AS-9 as the same is being disputed by the two parties.

20 OTHER INCOME

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Interest on		
-Bank Deposits	1,08,11,89,023	91,24,91,320
-Income Tax Refunds	2,60,28,042	4,73,31,816
-Advances to Staff	72,96,855	33,37,938
-Others	6,98,43,801	7,28,07,632
	1,18,43,57,721	1,03,59,68,706
Dividend from UTI	5,70,632	0
Profit on Sale of Assets (net)	27,160	61,212
Miscellaneous Income #	17,45,37,267	13,75,22,978
Revenue Grant from Government of India	3,96,17,409	4,08,46,916
	1,39,91,10,189	1,21,43,99,812

Does not include penalty charges of Rs. 3,053,499/- (Cumulative up to 31.03.2015 - Rs. 75,508,909) due to cancellation of events by the third party organisers as the penalty amount works out to more than the amount deposited by the parties / credit available with the company. As the chances of realisation of the balance penalty of Rs. 3,053,499/- are doubtful of recovery, the same shall be accounted for in accordance with the AS-9 as and when the amount is recovered/adjusted .

21 EMPLOYEES' BENEFITS EXPENSES

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Salaries, Wages & Allowances #	62,51,05,731	60,57,99,635
Other Perks & Allowances	11,81,20,782	8,07,49,540
Medical Expenses	29,38,449	6,56,93,400
Performance Related Pay / Performance Incentive (Refer footnote to Note 9)	2,19,00,000	3,37,00,000
Contribution to Provident & Other Funds	5,66,48,094	7,97,79,532
Gratuity (Refer Note 35)	3,31,69,412	2,31,35,134
Leave Encashment (Refer Note 35)	7,69,86,404	2,88,43,937
Staff Welfare	76,01,638	4,28,031
Compensation against Employment-Deceased Employees	1,42,24,835	75,88,460
Other Costs	36,98,897	33,66,895
	96,03,94,242	92,90,84,564

Includes Rs.20,624,669 (Previous Year Rs. 29,908,272) on account of ex-gratia under the Voluntary Retirement Scheme.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2015 (CONTD.)

22 DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Depreciation	5,53,80,316	5,13,80,449
Amortisation of Intangible Assets	12,66,871	12,66,871
	5,66,47,187	5,26,47,320

23 OTHER EXPENSES

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Participation Charges	17,08,51,529	14,18,25,770
Construction & Interior Decoration	8,91,31,643	7,43,21,460
Publicity	3,76,96,612	3,73,84,008
Freight, Packing & Handling	20,24,147	55,250
Cultural Programmes & Fashion Shows	16,50,931	8,49,220
Travelling & Conveyance [includes Rs. 2,543,657 (Previous Year Rs. 4,411,305) in respect of Directors]	2,71,09,686	2,03,81,414
Postage, Telegrams & Telephones	51,32,657	61,23,063
Entertainment [includes through Directors Rs. 308,896 (Previous Year Rs. 265,776)]	40,49,259	67,18,366
Maintenance of Pragati Maidan -Civil [includes Repairs to Buildings Rs. 2,034,537 (Previous Year Rs.18,635)]	2,32,69,379	3,66,16,294
-Electrical	8,05,57,399	8,12,77,886
-Horticulture	1,70,17,294	1,49,91,394
-Conservancy Arrangements	2,83,96,643	2,90,41,087
Electricity & Water Charges	14,69,19,325	15,78,98,686
Repairs, Renewals & Maintenance	3,66,83,091	3,62,13,350
Rates & Taxes	2,29,85,890	2,51,55,742
Less: Recoveries	-16,02,434	-18,23,551
	2,13,83,456	2,33,32,191
Books & Periodicals	14,37,713	16,66,314
Printing & Stationery	95,64,654	1,32,39,368
Rent	11,71,104	14,35,304
Less: Recoveries	-1,39,800	-1,39,800
	10,31,304	12,95,504
Vehicle Maintenance	22,06,868	27,32,178
Less: Recoveries	-60,744	-39,654
	21,46,124	26,92,524
Insurance	6,80,242	7,68,546
Advertisement Expenses	44,29,187	38,50,019
Commission	1,65,56,815	39,49,368
Foreign Delegation	7,86,732	23,00,283
Difference in Exchange (net)	13,35,197	13,04,315
Legal & Professional Charges	61,35,990	89,03,357
Seminar & Training	7,21,767	4,05,344
Interest	29,05,154	22,12,662
Corporate Social Responsibility Expenses (Refer Note 33)	43,03,373	38,16,161
Provisions/Write Offs	1,11,23,925	2,66,875
Other Miscellaneous Expenses	1,36,20,359	1,57,49,888
Sitting Fees to Directors	2,71,000	2,80,000
Auditor's Remuneration		
-Audit Fee*	5,00,000	3,00,000
-Tax Audit Fee	1,00,000	1,00,000
-Other Expenses	42,915	56,826
Prior Period Adjustments (Net)-Refer Note 24	1,38,86,403	65,91,212
	78,34,51,905	73,67,78,005

* includes Rs. 100,000 for increase in statutory audit fee for 2014-15 which is subject to approval of the Board of Directors.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2015 (CONTD.)

25 EXCEPTIONAL ITEMS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Liabilities / Provisions no longer required	1,22,56,330	1,07,41,153
Provision for Doubtful Debts/ Advances Written Back	18,419	69,49,050
Provision for Doubtful Recovery of TDS Written Back	48,19,523	1,29,77,709
	1,70,94,272	3,06,67,912

26 EARNINGS PER EQUITY SHARE

		As at 31.03.2015	As at 31.03.2014
Net Surplus after tax	(Rs.)	2,07,84,82,795	1,80,01,22,503
Equity Shares	(Nos.)	25,000	25,000
Nominal Value per Equity Share	(Rs.)	100	100
Basic & Diluted Earnings per Share	(Rs.)	83,139	72,005

27 EXPENDITURE IN FOREIGN EXCHANGE

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Foreign Travel	75,17,961	52,27,634
Fairs and Exhibitions	17,97,51,097	14,49,16,920
	18,72,69,058	15,01,44,554

28 EARNINGS IN FOREIGN EXCHANGE

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
Space Rent	12,96,53,663	10,79,36,518
Other Receipts	12,75,389	12,05,739
	13,09,29,052	10,91,42,257

29 SUBSIDIARY COMPANIES

(a) Karnataka Trade Promotion Organisation (KTPO) was promoted by ITPO in December, 2000 u/s 25 of the Companies Act 1956, in collaboration with Karnataka Industrial Area Development Board (KIADB), with an authorized share capital of Rs. 5,000,000 out of which the Company's share is 51%. In accordance with MOU with KIADB, ITPO contributed an exhibition hall to KTPO at a total cost of Rs. 179,376,950 against which the Department of Commerce provided a grant of Rs. 132,522,000 to ITPO.

The authorised share capital of KTPO was enhanced to Rs. 200,000,000 by their Board of Directors on 9.9.2004 and it was also decided that ITPO's contribution of the exhibition hall to the extent of Rs. 102,000,000 be treated as its capital contribution to KTPO. The amount of Rs. 77,376,950 spent on construction of exhibition hall, over and above Rs. 102,000,000, was to be treated as non-interest bearing subordinate debt to KTPO, to be refunded subject to annual review and cash flow situation of KTPO. Accounting entries as per the above were carried out in earlier years. As the subordinate debt was not being realised, it has been proposed to enhance share capital of KTPO to Rs. 350,000,000 with a view to convert the subordinate debt into ITPO's equity contribution. Approval of the other co-promoter viz KIADB is awaited. Accounting entries, shall be carried out as and when the revised arrangement is approved.

(b) Tamil Nadu Trade Promotion Organisation (TNTPO) was promoted by ITPO in November 2000 u/s 25 of the Companies Act, 1956, in collaboration with Tamil Nadu Industrial Development Corporation (TIDCO) with an Authorized Share Capital of Rs. 5,000,000 of which ITPO's share is 51%. The issued capital of TNTPO is Rs. 100,000 of which the Company has paid Rs. 51,000.

In accordance with MOU with TIDCO, ITPO contributed an exhibition hall to TNTPO at a cost of Rs. 163,748,414 against which the Department of Commerce provided a grant of Rs. 120,639,141 to ITPO. The balance amount of Rs. 43,109,273/- was charged off in ITPO's books as "Subsidy to TNTPO" in earlier years.

During the year, the Board of Directors of TNTPO in its 44th meeting held under the Chairmanship of CMD –ITPO, decided to reimburse the expenditure of Rs. 43,109,273/- incurred by ITPO from its own resources in 16 quarterly equal installments of Rs. 2,694,330/- each from the year 2014-15. Accordingly, the amount of Rs. 43,109,273/- has been shown as recoverable from TNTPO in ITPO's books in 2014-15 by treating the same as "Extraordinary Items - subsidy given to subsidiary company in earlier years recovered". Against this, Rs. 10,777,320/- comprising of 4 installments was received from TNTPO in the year 2014-15.

30 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
(a) Contingent Liabilities		
-Claims against the Company not acknowledged as debts	86,65,91,281	2,47,00,31,052
(b) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	8,45,08,760	8,45,08,760

34 CONFIRMATION OF BALANCES

Amounts due to/from various parties are subject to confirmation, reconciliation and adjustments, if any.

35 DISCLOSURE AS PER AS-15 ON EMPLOYEES' BENEFITS

General description of various defined employee benefit schemes are as under:-

a. Provident Fund

The Company pays its contribution relating to the Provident Fund of its employees, at the prescribed rates to the ITPO Employees' Contributory Provident Fund Trust which invests the funds in permitted securities. The contribution for the year is recognized as expense and is charged to the statement of income and expenditure. The Company is also under obligation to make good the shortfall of the trust, if any, and recognises such shortfall as its expense.

b. Leaves

The scheme of leave encashment is unfunded. It is recognized in the books of the Company on the basis of actuarial valuation. The encashment of Earned Leave (EL) and Half-Pay Leave (HPL) benefits to the employees of the Company accrue annually at the rate of 30 days and 20 days respectively. While in service, EL is encashable subject to a maximum of 60 days once in a calendar year leaving minimum balance of 30 days. However, employees within one year of their superannuation are allowed encashment of EL twice in a calendar year subject to the proviso that 30 days EL should be in credit at all times. EL is also encashable subject to a maximum of 300 days on superannuation / death / resignation etc. HPL is encashable only on superannuation / death / resignation etc. upto a maximum of 300 days as per the Rules of the Company. An overall ceiling of encashment of EL and HPL for 300 days is prescribed at the time of superannuation / death / resignation, etc.

i. Expenses recognized in the statement of Income and Expenditure

	2014-2015 (Rs.)	2013-2014 (Rs.)
Interest cost	1,26,78,959	1,59,35,806
Current service cost	79,17,888	67,04,588
Net actuarial (gain)/loss recognised in the period	5,62,60,638	-3,72,86,661
Expenses recognised in the statement of Income and Expenditure #	7,68,57,485	-1,46,46,267

ii. The amount recognized in the Balance Sheet

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Present value of the obligation at end of the year	18,92,91,793	15,84,86,987
Net liability/(assets) recognised in Balance Sheet and related analysis	18,92,91,793	15,84,86,987
Funded Status	-18,92,91,793	-15,84,86,987

iii. Changes in the Present Value of Obligations:

	2014-2015 (Rs.)	2013-2014 (Rs.)
Present value of the obligation at the beginning of the period	15,84,86,987	17,70,64,514
Interest cost	1,26,78,959	1,59,35,806
Current service cost	79,17,888	67,04,588
Benefits paid (if any)	-4,60,52,679	-39,31,260
Actuarial (gain)/loss	5,62,60,638	-3,72,86,661
Present value of the obligation at the end of the year	18,92,91,793	15,84,86,987

iv. The assumptions employed for the calculations are tabulated

	As at 31.03.2015	As at 31.03.2014
Discount rate	8.00% per annum	9.00% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

Rs. 76,986,404 recognised in the Statement of Income and Expenditure as benefits of Rs. 128,919 paid over and above the actuarial valuation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2015 (CONTD.)

c. Gratuity

The Company has a defined benefit gratuity scheme. The Scheme is funded. A separate ITPO Employees Gratuity Fund Trust manages the affairs of the trust. The funds of the trust are managed by LIC. It is recognized in the books of the Company on the basis of actuarial valuation. Every employee who has rendered continuous service of 5 years or more is entitled to get gratuity at the rate of 15 days salary [15/26 x (last drawn basic salary + dearness allowance)] for each completed year of service, subject to a maximum of Rs.1,000,000.

i. Expenses recognized in the statement of Income and Expenditure

	2014-2015 (Rs.)	2013-2014 (Rs.)
Interest cost	3,23,87,788	3,63,70,357
Current service cost	1,67,09,407	1,61,05,840
Expected return on plan asset	-3,51,52,249	-2,36,28,627
Net actuarial (gain)/loss recognised in the period	1,92,79,660	-63,35,916
Expenses recognised in the statement of Income & Expenditure Account #	3,32,24,606	2,25,11,654

ii. The amount recognized in the Balance Sheet

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
Present value of the obligation at end of the year	42,15,86,761	40,48,47,345
Fair value of plan assets at end of period	38,76,13,952	38,16,35,475
Net liability/(assets) recognised in Balance Sheet and related analysis	3,39,72,809	2,32,11,870
Funded Status	-3,39,72,809	-2,32,11,870

iii. Changes in the Present Value of Obligations:

	2014-2015 (Rs.)	2013-2014 (Rs.)
Present value of the obligation at the beginning of the period	40,48,47,345	40,41,15,083
Interest cost	3,23,87,788	3,63,70,357
Current service cost	1,67,09,407	1,61,05,840
Benefits paid (if any)	-5,16,37,439	-4,54,08,019
Actuarial (gain)/loss	1,92,79,660	-63,35,916
Present value of the obligation at the end of the year	42,15,86,761	40,48,47,345

iv. Changes in the Fair Value of Planned Assets:

	2014-15 (Rs.)	2013-14 (Rs.)
Fair Value of Plan Assets at the beginning of the period	38,16,35,475	0
Expected return of Plan Assets	3,51,52,249	2,36,28,627
Contributions	2,24,63,667	35,94,18,217
Benefits paid	-5,16,37,439	-14,11,369
Actuarial gain/(loss) on Plan Assets	0	0
Actual Return on Plan Assets	3,51,52,249	2,36,28,627
Fair Value of Plan Assets at the end of the period	38,76,13,952	38,16,35,475

v. The assumptions employed for the calculations are tabulated

	As at 31.03.2015	As at 31.03.2014
Discount rate	8.00% per annum	9.00% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Rate of Return	9.00% per annum	8.85% per annum
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

Rs. 33,169,412 recognised in the Statement of Income and Expenditure as net recovery of Rs. 55,194 not considered in actuarial valuation.