

INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

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 211 (3c) as well as other provisions of the Companies Act, 1956, subject to what is stated hereinafter.
- b The Company follows the mercantile 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.
- d 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.
- e 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.
- f Provision for expenses is made on estimated basis, where bills are awaited and expenditure pertaining to the current year is yet to be incurred.
- g Expenditure incurred through CPWD on Civil, Electrical and Horticulture work, is accounted for on the basis of accounts rendered by them.
- h Income and Expenditure relating to earlier years, not exceeding Rs.10,000 in each case, are treated as pertaining to current year.
- i Income from dividend is accounted for as and when declared.
- j 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.

2.2 FIXED ASSETS

Fixed Assets are stated at cost, net of "grants received", "accumulated depreciation" and any impairment in value.

2.3 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 at the rates determined by the management. These rates are not lower than the rates prescribed in the Companies Act, 1956.
- c Leasehold land acquired on perpetual lease basis is not amortized.

2.4 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

2.5 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.

2.6 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.

2.7 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.

2.8 FOREIGN CURRENCIES

- a The current assets and current liabilities 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.

2.9 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 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Authorised 50,000 Equity Shares of Rs. 100 each	5,000,000	5,000,000
Issued, Subscribed & Fully paid-up 25,000 Equity Shares of Rs. 100 each fully paid up	2,500,000	2,500,000
	2,500,000	2,500,000

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

	As at 31.03.2014	
	No. of shares	(Rs.)
Equity Shares:		
At the beginning of the period	25,000	2,500,000
Issued during the year	-	-
Outstanding at the end of the period	25,000	2,500,000

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

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

	As at 31.03.2014	
	No. of shares	% age
Equity Shares of Rs. 100 each fully paid Government of India	25,000	100

4 RESERVES AND SURPLUS

	As at 31.03.2014	As at 31.03.2013
	(Rs.)	(Rs.)
Capital Reserves		
(a) Capital Grant from Government of India (Fully Utilised)#		
-Balance as per the last financial statement	629,083,618	629,083,618
-Additions during the Year	-	-
-Adjustments/deductions	-	-
Closing Balance	629,083,618	629,083,618
(b) Other Reserves ##		
-Balance as per the last financial statement	7,121,985	7,121,985
-Additions during the Year	-	-
-Adjustments/deductions	-	-
Closing Balance	7,121,985	7,121,985
Surplus/ deficit as per Income and Expenditure Account		
Balance as per the last financial statement	10,490,444,749	8,967,505,698
Add: Surplus for the year	1,800,122,503	1,522,939,051
Closing Balance	12,290,567,252	10,490,444,749
	12,926,772,855	11,126,650,352

Includes unspecified grant of Rs.49,65,61,618 (Previous Year Rs. 49,65,61,618)

##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 31.03.2014	As at 31.03.2013
	(Rs.)	(Rs.)
Others		
Income Received in Advance	55,337,404	35,467,194
	55,337,404	35,467,194

6 LONG TERM PROVISIONS

	As at 31.03.2014	As at 31.03.2013
	(Rs.)	(Rs.)
Provision for Employees' Benefits (Refer Note 34)		
-Gratuity	-	362,600,882
-Leave Enchashment	139,254,279	157,041,057
	139,254,279	519,641,939

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

7 TRADE PAYABLES

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Trade Payables #	126,185,606	130,306,531
	126,185,606	130,306,531

DUES TO MICRO,SMALL & MEDIUM ENTERPRISES

There are no Micro, Small & Medium Enterprises to whom the Company owes dues as at 31st March 2014. 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 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Income Received in Advance	281,448,642	278,836,916
Security Deposits	32,927,195	34,445,362
Advance Payments and Deposits	237,801,695	207,316,262
Employees' Benefits Payable	34,619,047	48,067,303
Statutory Dues	14,210,622	28,506,255
Other Payables	28,807,430	71,283,081
	629,814,631	668,455,179

9 SHORT TERM PROVISIONS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
(a) Provision for Employees' Benefits		
-Gratuity (Refer Note 34)	23,211,870	41,514,201
-Leave Enchashment (Refer Note 34)	19,232,708	20,023,457
-Performance Related Pay #	272,693,046	238,993,046
(b) Others		
-Provision for Refund of Contingency Charges	13,236,220	13,236,220
	328,373,844	313,766,924

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 it 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 and DPE 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. It was also clarified that some of the PSEs incorporated u/s 25 of the Companies Act are paying PRP to their employees.

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 revised OM in this regard which is awaited.

Pending formulation of the PRP scheme, ad-hoc payments amounting to Rs.117,467,834 (Previous Year Rs. 102,733,416) have been released to the employees till 31.3.2014 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

11 NON-CURRENT INVESTMENTS (AT COST)

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (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)	20,000,000	20,000,000
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)	2,550,000	2,550,000
99,450 equity shares of Rs.1,000 each in Karnataka Trade Promotion Organisation (Subsidiary Company), application money pending allotment	99,450,000	99,450,000
	122,051,000	122,051,000
(b) Others Unquoted		
5 shares of Rs.50 each in Sea Glimpse Cooperative Housing Society, Mumbai	250	250
	122,051,250	122,051,250

(i) Aggregate amount of Unquoted Investments	122,051,250	122,051,250
(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 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Capital Advances	22,225,682	45,347,082
Loans & Advances		
Advance to KTPO -Subsidiary Company [Refer note 29 (a)]	77,376,950	77,376,950
Other Loans & Advances		
Advances to Employees #	37,053,565	18,542,447
Prepaid Expenses	250,158	238,133
Sundry Deposits	17,778,005	5,409,492
Less: Provison for Doubtful Sundry Deposits	(1,380,599)	(1,359,283)
	16,397,406	4,050,209
	153,303,761	145,554,821

Includes

a) Due from Directors	Nil	Nil
b) Due from officers in the nature of loan	749,750	790,000
c) Fully secured/secured against personal guarantee	10,791,674	18,542,447

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

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Others		
Interest Accrued on Advances to Employees	35,106,361	37,534,195
	35,106,361	37,534,195

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

14 CURRENT INVESTMENTS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Quoted (at cost) 185,096 (previous year 185,096) units of Rs. 10 each in UTI-Balance Fund Scheme under reinvestment plan	2,401,212	2,401,212
	2,401,212	2,401,212

(i) Market value of quoted investments	4,673,433	4,023,432
(ii) Aggregate provision for diminution in the value of investments	Nil	Nil

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

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Outstanding for a period exceeding six months from the date they became due for payment		
-Considered Good	31,674,385	39,030,410
-Considered Doubtful	143,088,357	154,414,828
	174,762,742	193,445,238
Less: Provision for Doubtful Receivables	(143,088,357)	(154,414,828)
	31,674,385	39,030,410
Outstanding for a period less than six months from the date they became due for payment		
-Considered Good	53,230,136	52,221,223
	84,904,521	91,251,633

16 CASH & BANK BALANCES

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Cash & Cash Equivalents		
-Balances with Banks in Current/Saving Accounts #	641,306,332	360,716,301
-Bank Deposits upto 3 months original maturity	-	200,000,000
-Drafts /Cheques on Hand	620,898	205,832
-Cash on Hand	468,533	553,419
-Postage Imprest	24,626	105,986
-Gold Coins on hand	-	182,422
	642,420,389	561,763,960
Other Bank Balances		
-Bank Deposits with more than 3 months but upto 12 months original maturity	4,620,000,000	8,809,987,999
-Bank deposits with original maturity for more than 12 months	5,450,000,000	350,000,000
	10,712,420,389	9,721,751,959

Includes

(i) Lying in foreign countries	1,779,478	2,148,383
(ii) Out of (i) above, unconfirmed on the date of the Balance Sheet	794,516	Nil

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

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

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Loans & Advances to Subsidiaries		
-TNTPO	375,623	293,427
-KTPO	6,278,651	6,127,732
Others		
Advances to Employees #	147,991,452	121,325,832
Advances to Parties	102,775,381	118,514,398
	250,766,833	239,840,230
Less: Provision for Doubtful Advances	(5,905,565)	(5,685,749)
	244,861,268	234,154,481
Service Tax Recoverable	1,002,364	-
Income Tax/ TDS Recoverable	1,023,257,216	667,044,915
Less: Provision for Doubtful Recovery of TDS	(35,860,291)	(48,838,000)
	987,396,925	618,206,915
Prepaid Expenses	12,479,032	3,583,331
Inter-Corporate Deposits	750,000,000	750,000,000
	2,002,393,863	1,612,365,886

Includes

a) Due from Directors / Ex-Directors	275,211	198,718
b) Due from Officers in the nature of loan	952,750	878,000
c) Fully secured/secured against personal guarantee	20,429,329	10,715,305

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

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Grant recoverable from Government of India	115,030,619	195,241,306
Less: Provision for Doubtful Recovery of Grant	(44,597,701)	(139,283,664)
	70,432,918	55,957,642
Interest Accrued on Saving Bank Accounts / Deposits	436,283,252	391,681,249
Interest Accrued on Advances to Employees	4,221,940	3,676,530
Consumable Stores (valued at cost)	861,628	980,467
Due from Indian Missions Abroad	144,646	2,283,710
Due from parties in respect of Deposit Works	4,471,820	4,571,920
Less: Provision for Doubtful Dues	(3,899,183)	(3,899,183)
	572,637	672,737
	512,517,021	455,252,335

19 REVENUE FROM OPERATIONS

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Space Rent (net) #	2,054,049,791	1,996,879,216
Sale of Entry Tickets / Seasonal Passes	78,073,418	70,904,290
Sale of Publications	691,420	678,100
Advertisement (Publications)	2,528,971	2,874,243
Hoardings	1,817,615	37,846,191
Subscription Fee	1,251,976	1,201,492
Recovery for Various Services Provided	47,790,426	31,369,876
Recovery of Electricity & Water Charges	87,361,051	83,747,306
	2,273,564,668	2,225,500,714

Rs. 21,890,000 has not been recognised as income for the year (cumulative upto 31.03.2014 - Rs.275,733,148) in accordance with AS-9 as the same is being disputed by the two parties.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

20 OTHER INCOME

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Interest on		
-Bank Deposits	912,491,320	874,124,856
-Income Tax Refunds	47,331,816	19,873,069
-Advances to Staff	3,337,938	3,231,408
-Others	72,807,632	67,393,790
	1,035,968,706	964,623,123
Dividend from UTI	-	176,946
Profit on Sale of Assets	61,212	97,388
Difference in Exchange (net)	-	15,074
Miscellaneous Income #	137,522,978	68,726,031
Revenue Grant from Government of India	40,846,916	77,251,102
	1,214,399,812	1,110,889,664

Does not include penalty charges of Rs. Nil (Previous Year Rs.620,128 due to cancellation of events by the third party organisers as the penalty amount worked out to more than the amount deposited by the parties. As the chances of realisation of the balance penalty were doubtful of recovery, the same shall be accounted for as and when the amount is recovered/adjusted in accordance with the AS-9).

21 EMPLOYEES' BENEFITS EXPENSES

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Salaries, Wages & Allowances #	605,799,635	589,099,301
Other Perks & Allowances	80,749,540	82,588,278
Medical Expenses	65,693,400	64,506,635
Performance Related Pay (Refer foot note to Note no.9)	33,700,000	40,022,854
Contribution to Provident & Other Funds	79,779,532	53,743,441
Gratuity (Refer Note 34)	23,135,134	86,320,809
Leave Encashment (Refer Note 34)	28,843,937	49,332,248
Staff Welfare	428,031	5,537,688
Compensation against Employment-Deceased Employees	7,588,460	13,309,556
Other Costs	3,366,895	4,172,139
	929,084,564	988,632,949

Includes Rs.29,908,272 (previous year Rs. 37,037,955) on account of ex-gratia under the Voluntary Retirement Scheme.

22 DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Depreciation	51,380,449	45,927,258
Amortisation of Intangible Assets	1,266,871	1,266,871
	52,647,320	47,194,129

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

23 OTHER EXPENSES

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Participation Charges	141,825,770	146,799,410
Construction & Interior Decoration	74,321,460	80,622,624
Publicity	37,384,008	37,471,028
Freight, Packing & Handling	55,250	386,030
Cultural Programmes & Fashion Shows	849,220	798,260
Travelling & Conveyance [includes Rs. 4,411,305 (previous year Rs. 5,354,363) in respect of Directors]	20,381,414	22,706,017
Postage, Telegrams & Telephones	6,123,063	4,725,401
Entertainment [includes through Directors Rs.265,776 (previous year Rs.125,201)]	6,718,366	4,691,249
Maintenance of Pragati Maidan		
-Civil [includes Repairs to Buildings Rs.18,635 (previous year Rs.1,734,000)]	36,616,294	62,001,733
-Electrical	81,277,886	74,916,425
-Horticulture	14,991,394	14,905,562
-Conservancy Arrangements	29,041,087	25,383,971
Electricity & Water Charges	157,898,686	178,604,718
Repairs, Renewals & Maintenance	36,213,350	17,311,065
Rates & Taxes	25,155,742	20,255,281
Less: Recoveries	(1,823,551)	(1,222,951)
	<u>23,332,191</u>	<u>19,032,330</u>
Books & Periodicals	1,666,314	1,413,316
Printing & Stationery	13,239,368	9,174,099
Rent	1,435,304	1,442,318
Less: Recoveries	(139,800)	(139,800)
	<u>1,295,504</u>	<u>1,302,518</u>
Vehicle Maintenance	2,732,178	3,379,219
Less: Recoveries	(39,654)	(34,863)
	<u>2,692,524</u>	<u>3,344,356</u>
Insurance	768,546	977,747
Advertisement Expenses	3,850,019	5,836,682
Commission	3,949,368	5,769,933
Foreign Delegation	2,300,283	55,447
Difference in Exchange (net)	1,304,315	-
Legal & Professional Charges	8,903,357	8,133,048
Seminar & Training	405,344	207,316
Interest	2,212,662	6,435,241
Compensation	-	4,551,377
Corporate Social Responsibility Expenses	3,816,161	3,447,822
Provisions/Write Offs	266,875	52,772,536
Other Miscellaneous Expenses	15,749,888	12,693,464
Sitting Fees to Directors	280,000	110,000
Auditor's Remuneration		
-Audit Fee	300,000	300,000
-Tax Audit Fee	100,000	80,000
-Other Expenses	56,826	118,143
	<u>730,186,793</u>	<u>807,078,868</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

25 EXCEPTIONAL ITEMS

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Liabilities / Provisions no longer required	10,741,153	22,654,955
Provision for Doubtful Debts Written Back	6,949,050	5,759,091
Provision for Doubtful Recovery of TDS Written Back	12,977,709	-
	30,667,912	28,414,046

26 EARNINGS PER EQUITY SHARE

		As at 31.03.2014	As at 31.03.2013
Net Surplus after tax	(Rs.)	1,800,122,503	1,522,939,051
Equity Shares	(Nos.)	25,000	25,000
Nominal Value per Equity Share	(Rs.)	100	100
Basic & Diluted Earnings per Share	(Rs.)	72,005	60,918

27 EXPENDITURE IN FOREIGN EXCHANGE

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Foreign Travel	5,227,634	5,945,402
Fairs and Exhibitions	144,916,920	155,853,759
Others	Nil	296,996
	150,144,554	162,096,157

28 EARNINGS IN FOREIGN EXCHANGE

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Space Rent	107,936,518	141,104,004
Other Receipts	1,205,739	1,132,530
	109,142,257	142,236,534

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. 50,00,000 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. 17,93,76,950 against which the Department of Commerce provided a grant of Rs. 13,25,22,000 to ITPO.

The authorised share capital of KTPO was enhanced to Rs. 20,00,00,000 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. 10,20,00,000 be treated as its capital contribution to KTPO. The amount of Rs. 7,73,76,950 spent on construction of exhibition hall, over and above Rs. 10,20,00,000, 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 35,00,00,000 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. 50,00,000 of which ITPO's share is 51%. The issued capital of TNTPO is Rs. 1,00,000, 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. 16,37,48,414 against which the Department of Commerce provided a grant of Rs. 12,06,39,141 to ITPO.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

During the year 2002-03, the Co-promoter reviewed the treatment of land given to the TNTPO by the State Government and the hall constructed by ITPO. The Govt. of Tamil Nadu vide its G.O.Ms. No. 28 dated 03.02.2003 decided that lease rent of Rs. 1,00,00,000 per annum shall be paid by TNTPO towards land provided by TIDCO and 50% of the expenditure on construction of exhibition hall will be repaid by TNTPO to ITPO in 40 quarterly installments starting with effect from the financial year 2014. The terms and conditions of the G.O.Ms dated 03.02.2003 are yet to be accepted by the Company. Pending agreement to the revised terms and conditions, no accounting entries for the amounts proposed to be reimbursed by TNTPO have been made in the accounts of the Company.

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

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
(a) Contingent Liabilities		
-Claims against the Company not acknowledged as debts	2,470,031,052	1,648,429,943
(b) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	84,508,760	110,954,091

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

33 CONFIRMATION OF BALANCES

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

34 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 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. Leave

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 15 days. 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

	2013-2014 (Rs.)	2012-2013 (Rs.)
Interest cost	15,935,806	13,251,338
Current service cost	6,704,588	7,487,772
Net actuarial (gain)/loss recognised in the period	(37,286,661)	4,811,727
Expenses recognised in the statement of Income and Expenditure	(14,646,267)	25,550,837

ii. The amount recognized in the Balance Sheet

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
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Present value of the obligation at end of the year	158,486,987	177,064,514
Net liability/(assets) recognised in Balance Sheet and related analysis	158,486,987	177,064,514
Funded Status	(158,486,987)	(177,064,514)

iii. Changes in the present value of the defined benefit obligations:

	2013-2014 (Rs.)	2012-2013 (Rs.)
Present value of the obligation at the beginning of the period	177,064,514	165,641,719
Interest cost	15,935,806	13,251,338
Current service cost	6,704,588	7,487,772
Benefits paid (if any)	(3,931,260)	(14,128,042)
Actuarial (gain)/loss	(37,286,661)	4,811,727
Present value of the obligation at the end of the year	158,486,987	177,064,514

iv. The assumptions employed for the calculations are tabulated

	As at 31.03.2014	As at 31.03.2013
Discount rate	9.00% per annum	8.00% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	LIC 94-96 Ultimate
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (CONTD.)

c. Gratuity

The Company has a defined benefit gratuity scheme. The Scheme is funded. A separate ITPO Employees Gratuity Fund Trust started functioning during the year and the funds of the trust are managed through 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 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

	2013-2014 (Rs.)	2012-2013 (Rs.)
Interest cost	36,370,357	29,204,751
Current service cost	16,105,840	16,286,939
Expected return on plan asset	(23,628,627)	-
Net actuarial (gain)/loss recognised in the period	(6,335,916)	40,677,102
Expenses recognised in the statement of Income & Expenditure Account	(22,511,654)	86,168,792

ii. The amount recognized in the Balance Sheet

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Present value of the obligation at end of the year	404,847,345	404,115,083
Fair value of plan assets at end of period	381,635,475	-
Net liability/(assets) recognised in Balance Sheet and related analysis	23,211,870	404,115,083
Funded Status	(23,211,870)	(404,115,083)

iii. Changes in the present value of the defined benefit obligations:

	2013-2014 (Rs.)	2012-2013 (Rs.)
Present value of the obligation at the beginning of the period	404,115,083	365,059,386
Interest cost	36,370,357	29,204,751
Current service cost	16,105,840	16,286,939
Benefits paid (if any)	(45,408,019)	(47,113,095)
Actuarial (gain)/loss	(6,335,916)	40,677,102
Present value of the obligation at the end of the year	404,847,345	404,115,083

iv. The assumptions employed for the calculations are tabulated

	As at 31.03.2014	As at 31.03.2013
Discount rate	9.00% per annum	8.00% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	LIC 94-96 Ultimate
Expected Rate of Return	8.85% per annum	-
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum