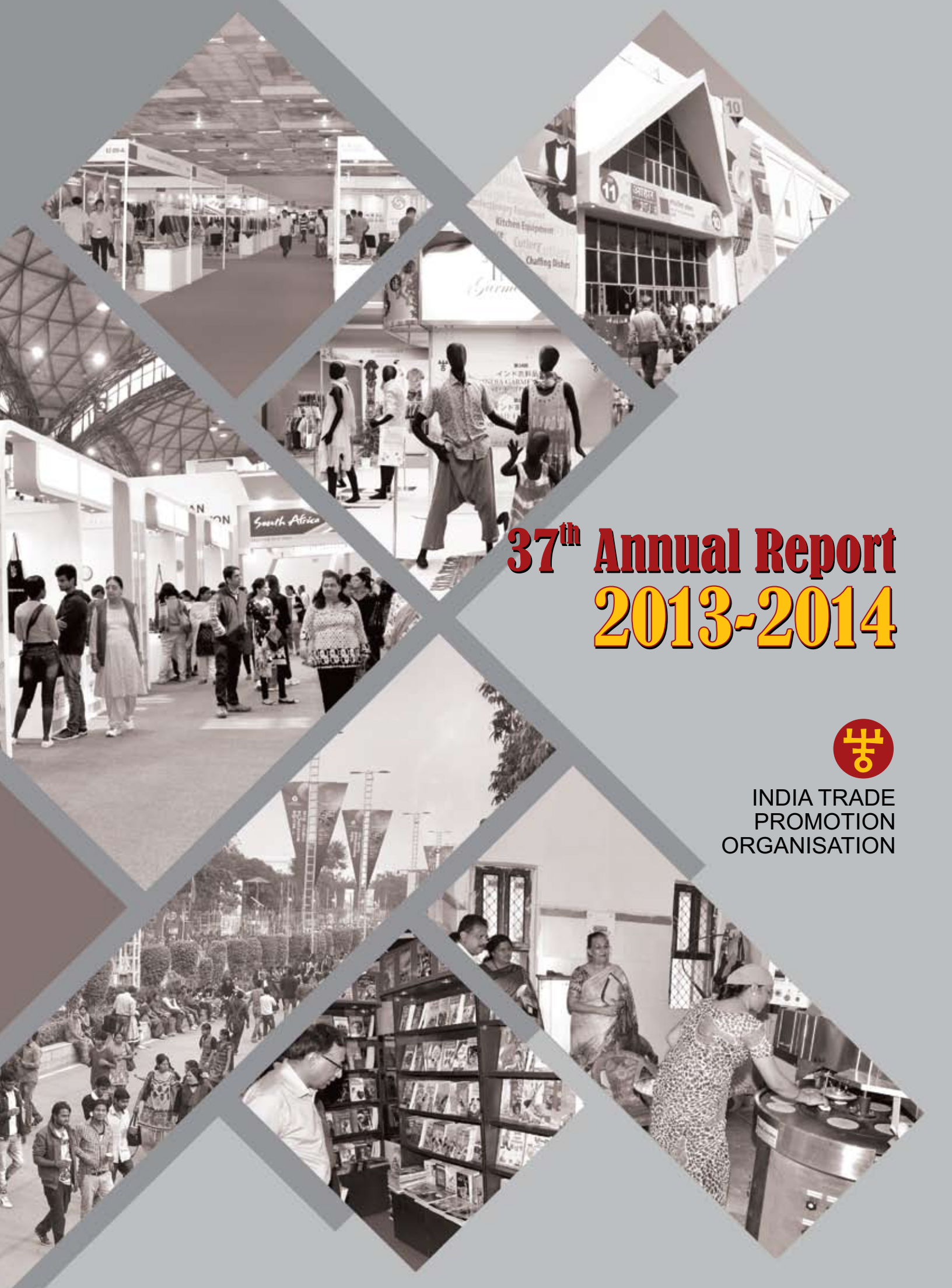
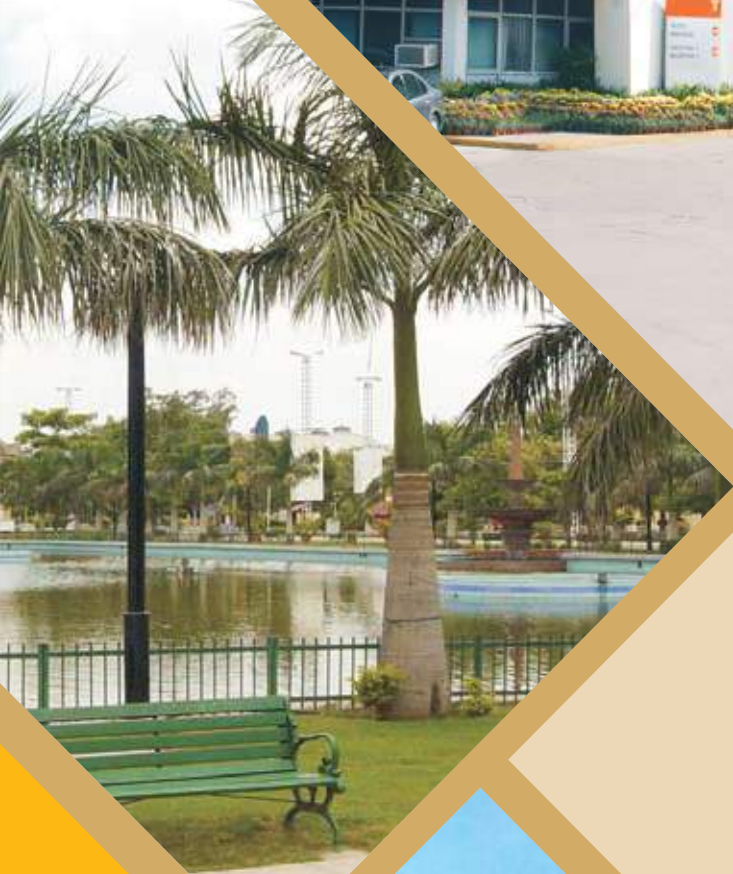




37th Annual Report 2013-2014



INDIA TRADE
PROMOTION
ORGANISATION



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BOARD OF DIRECTORS



Smt. Rita Menon
Chairperson & Managing Director



Smt. Anita Agnihotri
Additional Secretary & Financial Adviser
Ministry of Commerce & Industry
(upto 4-6-2014)



Shri J. S. Deepak
Additional Secretary
Ministry of Commerce & Industry



Shri B. P. Pandey
Additional Secretary & Financial Adviser
Ministry of Commerce & Industry
(w.e.f. 4.6.2014)



Shri. S. N. Tripathi
Joint Secretary
Ministry of Micro, Small & Medium
Enterprises



Shri Soumen Bagchi
Joint Secretary, Ministry of External
Affairs, w.e.f. 4.6.2014



Shri Prabhat Kumar
Joint Secretary
Ministry of External Affairs
(upto 21.5.2014)



Shri. Abhijit Basu
Director



Shri S. M. Lodha
Director



Shri D.S. Rawat
Director



Shri Malay Shrivastava
Executive Director

KEY EXECUTIVES



Shri Vikram Sahgal
General Manager



Shri S.K. Sharma
General Manager



Shri Dalel Singh
General Manager



Smt. Meenakshi Singh
Officer-on Special Duty



Shri Arun Chandra
General Manager



MS. V. Meera
General Manager



Shri R.K. Singh
General Manager



Shri V. Kumar
General Manager



Shri Jayanta Das
General Manager



Shri S. R. Sahoo
Company Secretary



INDIA INTERNATIONAL TRADE FAIR



ITPO Offices in India



NAKSHATRA



ITPO OFFICES IN INDIA

Registered & Head Office

India Trade Promotion Organisation

Pragati Bhawan, Pragati Maidan, New Delhi-110001

Tel.: 91-11-23371540 (EPABX), Fax: 91-11-23371492/1493

E-mail: info@itpo.gov.in Website: www.indiatradefair.com

Trade Portal: www.tradeportalofindia.com

CIN: U74899DL1976NPL008453

REGIONAL OFFICES

Bangalore

Flat No. MF-5/2, BDA-SFHS Flats,
2nd Main-2nd stage, BTM Layout,
Bannerghatta Road,
Bangalore-560076

Tel: 080-26680040 / 26680250

Fax No: 080-2688888

E-mail: robangalore@itpo.gov.in

CHENNAI

Raja Annamalai Building, 2nd Floor,
72, Rukmani Lakshmipathi Road,
Egmore,
Chennai-600008

Tel: 91-44-28554655/28587297/28415416/28524655

Telefax: 91-44-28554740

E-mail: itpochn@md4.vsnl.net.in

KOLKATA

International Trade Facilitation Centre,
5th Floor, 1/1, Wood Street,
Kolkata-700016

Tel: 91-33-22825820, 22822904, 22828586

Fax: 91-33-22828269

E-mail: itpocal@cal3.vsnl.net.in

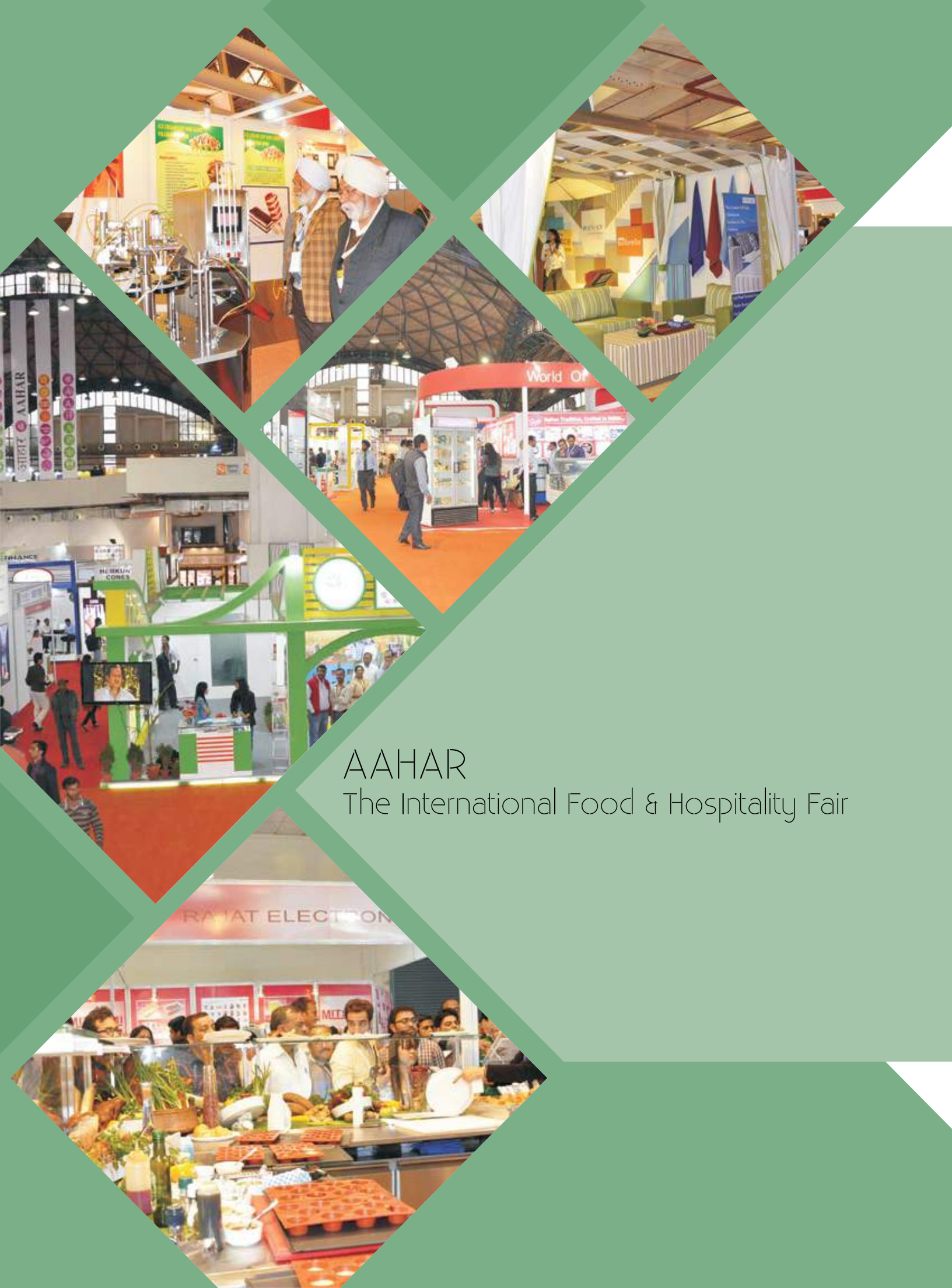
MUMBAI

7, Cooperage Road, 3rd Floor,
Jhansi Castle,
Mumbai-400001

Tel: 91-22-22026629/22021788/22044918/22021730

Fax: 91-22-22044922

E-mail: itpomumbai@gmail.com/itpoby@rediffmail.com



AAHAR

The International Food & Hospitality Fair

Chairperson's Statement



India Trade
PrOMOTION OrGanISaTION

CHAIRPERSON'S STATEMENT 37th Annual General Meeting



Ladies & Gentlemen,

It is my privilege to extend a very warm welcome you to the 37th Annual General Meeting of ITPO.

The Directors Report and the Audited Accounts for the financial year 2013-14, along with the observations of Statutory Auditors and the Comments of the Comptroller & Auditor General of India have already been circulated. I am delighted to mention that Annual Accounts of ITPO for the year 2013-14 have received 'Nil' comments from CAG of India. With your permission, I take them as read.

FINANCIAL PERFORMANCE OF ITPO

I am happy to mention that the performance of the Company was exceptionally well compared to the previous year **in spite of the fact that some major events of biennial/triennial nature not scheduled/held in 2013-14**. The performance of the Company during 2013-14 has resulted in a surplus of Rs.180.01 crore as compared to Rs. 152.29 crore in the preceding year. The total income generated by the Company during the

year is Rs. 351.86 crore compared to Rs. 336.58 crore in the previous year. **The total expenditure incurred by the Company during the year was reduced to Rs.171.85 crore from Rs.184.29 crore** during the preceding year. As per the current order book position, the current year is also expected to generate more income than the previous year.

PERFORMANCE RATING UNDER MOU

The Company had signed the MoU on 25.3.2014 with Ministry of Commerce & Industry, Government of India for the year 2014-15. The MoU performance covers both financial and non-financial parameters. I am happy to mention that ITPO has already achieved MOU **"Excellent"** rating for the year 2011-12 and 2012-13 and the MOU rating has been **"Excellent"**, as per self-evaluation, for the year 2013-14 also.

NEW INITIATIVES AND IMPROVEMENTS

During the year, the below mentioned initiatives and improvements were taken for the benefit of all the stakeholders:-

- Introduction of three new domestic fairs organised by ITPO viz. India Gem & Jewellery Fair; Furniture, Furnishing & Decor Fair; and Kosmetika – A Beauty & Wellness Show.
- Webcast Services for Live Video Streaming during “INSPIRE”; Setting up of LED screens during important fairs to display important events, products, brand/styles etc.; and Mobile Application for ITPO events to readily provide fair related information.
- Another first ever ICT initiative, the Online Ticket Booking system was successfully accomplished during the New Delhi World Book Fair 2014. The system was seamlessly integrated with online payment gateway for booking of tickets with facility of e-mailing the ticket on the visitor’s e-mail account.
- Deployment of CISF to strengthen the security arrangement in Pragati Maidan approved by MHA after continued efforts of over 2-3 years.
- Provision of eco-friendly hydrogen fuelled passenger and road carriers on complimentary basis to all Fair Organisers to facilitate exhibitors & visitors in collaboration with Ministry of New & Renewable Energy, IIT Delhi, Mahindra & Mahindra and UNDP.
- Product specific halls were created to facilitate sector specific business at IITF. Innovation Pavilion outside Hall 14 was also created at IITF 2013 for the first time to promote start-ups, young entrepreneurs and new technologists.
- Crowd management by providing facility to get return Metro ticket from exhibition ground has led to very smooth traffic around Pragati Maidan during the 14 days of the show. This was also the indirect spin off of ITPO’s contribution in reducing carbon foot prints by discouraging car use by the visitors and exhibitors.
- Introduction of Jan Ahaar / Jan Thali costing Rs. 20/- and Rs. 30/- especially for the labourers, workers and fabricators during construction and dismantling days i.e. before and after IITF.
- Modern firefighting equipment made available in all exhibition halls to counter any untoward mishap. Mobile cargo scanners and fire tenders were also deployed as a preventive measure at IITF 2013.
- Regular interactions of ITPO management with Fair organizers for getting their feedback for continuous improvement in delivery of services by ITPO.
- Regular meetings with Export Promotion Councils (EPCs), Trade Bodies and Govt. Departments for increased participation in foreign fairs.
- Weekly/fortnightly meeting of Business development committee for prompt disposal of requests for booking of space at Pragati Maidan.
- Meetings with Resident Commissioners & their officers for their feedback & suggestions for IITF & other domestic and foreign fairs.
- The services of authorized porters and loaders were experimented successfully in India International Trade Fair 2013 and are now under review for institutionalized system for all fairs to enhance security.
- Revamp of ITPO’s corporate website for making it more informative & user friendly. Online Space Booking for various fairs. Online Tender Management on Central Public Procurement Portal of NIC. Design, Development & Implementation of online Centralised Database for Fair Services. Migration on E-Mail Services to NIC Messaging Services.
- In-house Online Business Visitor Registration and its Analysis for ITPO fairs to ensure security and confidentiality of database.
- Wi-Fi enablement in few halls in Pragati Maidan – Proof of Concept successfully done.



India Trade PrOMOTION OrGanISa TION

- **Conservation of electricity consumption upto 11%** by use of energy efficient LED/ CFL lamps in Stalls; Use of energy efficient Duct-able Air Conditioning in Hangers & Non AC Hall to provide uniform & comfortable air-conditioning; Use of solar street lights for saving power. Improvement of Power Factor from 0.85 to 0.90 has resulted in saving of Power by 3%.
- **Significant reduction in water consumption of Pragati Maidan of about 30%** water by taking innovative measures in maintenance/ repair and regulation of water supply in Pragati Maidan premises.

PARTICIPATION IN FAIRS HELD ABROAD

For achieving the company's mission and to boost India's export growth across the globe during the year 2013-14, the Company organized India's national level participation in 24 overseas trade fairs including 2 dedicated India Shows in Osaka (Japan). Of these 24 events, 9 were held in Europe, 5 in Africa/WANA, 5 in NAFTA/LAC, 4 in Asia and one in CIS region. 16 were General Fairs and 8 were specialized Fairs.

Some of the major events were Africa's Big Seven, Johannesburg (South Africa); Summer Fancy Food Show, New York (USA); ANUGA, Cologne (Germany); India Garment Fair & India Furnishing Fair, Osaka (Japan); AAPEX, Las Vegas (USA); MEDICA, Dusseldorf (Germany); Saudi Agro Food, Riyadh (Saudi Arabia); and AFL' Artigiano in Fiera – International Handicrafts Fair, Milan (Italy). Each event has been larger in terms of area and participating companies. For example, the 34th edition of India Garment Fair and 24th edition of India Home Furnishing Fair held in Osaka (Japan) were highly successful and generated business worth US \$ 36.67 million and attracted 2149 business visitors. 70% growth has been achieved in size of these fairs compared to previous year.

For the year 2013-14, DOC had approved four overseas fairs under MDA Scheme and granted Rs. 160 lakhs for disbursement to exhibitors. In the

current year, the company is expecting more MDA & MAI assistance to participate in foreign fairs to meet the MoU targets of DPE.

DOMESTIC FAIRS

The Company organized 16 national and international trade fairs/ exhibitions in the fiscal year 2013-14. Out of these, 11 were organized in Delhi and 5 in other cities. The events organized in Pragati Maidan during the year included 3rd Edition of India International Leather Fair, 33rd India International Trade Fair (IITF 2013), 29th edition of Aahar – The International Food & Hospitality Fair, Delhi Book Fair, Stationery Fair, India Gem & Jewellery Fair; National Furniture Furnishing & Décor Fair; India International Security Expo, Nakshtra and Kosmetika.

HIGHLIGHTS OF FAIRS HELD AT PRAGATI MAIDAN, NEW DELHI

India International Trade Fair'2013

The Theme of 33rd India International Trade Fair 2013 (IITF'13) held during November 14-27, 2013 in Pragati Maidan was **"Inclusive Growth"**. The fair was inaugurated by Shri Pranab Mukherjee, the Hon'ble President of India. Bihar was **"Partner State"** and Odisha was the **"Focus State"**.

As many as 6,000 exhibitors participated, about 260 overseas exhibitors from 20 countries displayed their exhibits in the fair. 8 countries viz. Afghanistan, China, Indonesia, Japan, Lithuania, Pakistan, South Africa and Thailand had set up their National Pavilions. The companies representation were from Czech Republic, Canada, Egypt, Hong Kong, Iran, Italy, Myanmar, Nepal, Singapore, South Arabia, Thailand, Turkey, UAE and Vietnam. Japan was **"Partner Country"** and South Africa was the **"Focus Country"**.

More than 1.5 million visitors including about 42,000 business visitors during the first 5 business days shown their presence. In addition 279 foreign delegates from 52 countries including 53 business delegations visited the fair. 90% of the exhibitors were keen to repeat their participation in the next edition of IITF as per customer satisfaction survey.

Aahar – The International Food & Hospitality Fair'2014

The 29th edition of Aahar – The International Food & Hospitality Fair depicting two concurrent exhibitions, mainly, "Food India" and "Hospitality India" were organized with the support of the Ministry of Food Processing Industries and other Associates.

The show was organised in area of 44,000 sq mts where a total of 776 exhibitors including 48 overseas exhibitors participated were from countries such as Australia, Austria, Canada China, France, Germany, Hong Kong, Indonesia, Italy, Malaysia, Poland, Romania, Spain, Sweden, Thailand, Turkey, United Arab Emirates and USA

India International Leather Fair – Delhi

The 3rd edition of India International Leather Fair (IILF) in Delhi was organised in a covered gross area of 4000 sq mts., with 105 exhibitors including 38 from overseas mainly from China, Taiwan, Germany & Italy. A comprehensive range of products and services relating to leather industry – Finished Leather, Synthetic Materials, Footwear Components, Machinery & Equipment, Chemicals, Software, Publications etc. were on display at the Fair.

A total of 4847 business visitors visited the fair, out of which 49 were overseas business visitors from 15 countries. Rs. 6628.10 lakhs of business was generated and about 8200 trade enquiries were also received.

19th Delhi Book Fair'2013 and Stationary Fair, 2013

In the 19th edition of Delhi Book Fair, 200 exhibitors from India and abroad participated in an area of 4434 sq mts. "Libraries & Readership" was chosen as the theme for the event. Seminars including a debate amongst University students on "Environmental Disaster caused due to Development of Vulnerable Hilly Areas" were also organized.

The 15th edition of Stationery Fair at Pragati Maidan coinciding with Delhi Book Fair was also organised

in which a total of 38 participants exhibited their products in an area of 658 sq mts in this Fair.

India International Security Expo' 2013

The 16th edition of India International Security Expo (IISE) organized by ITPO was held at New Delhi during September 26-29, 2013 in an area of 2802 sq.mtrs. with the support of Ministry of Home Affairs. There were 92 companies which displayed their products in the exhibition. This year's event attracted prominent companies such as Godrej, L&T, ECIL, BEL, ESSIL, IJS, IndianArmouretc. The theme pavilion "Made in India" that showcased completely indigenous products, featured 13 Indian companies.

Kosmetica, '2014

Kosmetika 2014 was organized with participation of total 52 companies from the beauty and wellness industry. The fair also had featured products launches, products demonstrations, connected shows, seminars, etc.

HIGHLIGHTS OF FAIRS HELD AT REGIONAL LEVEL

India International Leather Fair (IILF), 2014, CHENNAI

The 29th edition of India International Leather Fair (IILF), organised in Chennai, was held in a covered net area of 9282 sq mts., with 385 exhibitors including 90 overseas exhibitors from 18 countries namely Bangladesh, Brazil, China, France, Germany, Iran, Italy, Portugal, Saudi Arabia, Spain, Sri Lanka, Switzerland, Taiwan (R.O.C.), Thailand, The Netherlands, Turkey, UAE and United Kingdom. Group participation from China, France, Germany, Italy, Spain and Thailand.

A total of 10,068 registered business visitors including 332 overseas visitors from 48 countries visited the fair. The business generated amounted to approximately USD 239.87 million. About 98% of the exhibitors have shown interest to participate again in the 30th edition of the fair scheduled from Feb 01-03, 2015 at Chennai Trade Centre.



India Trade
PrOMOTION OrGanISa TION

Auto Ancillary Show, Pune

The 2nd edition of Auto Ancillary Show was held in Pune. The show was inaugurated by Hon'ble Chief Minister of Maharashtra, Shri Prithviraj Chavan.

The show had participation from Government of Jharkhand as "Partner State", Tamil Nadu as "Focus State" while Maharashtra was represented as the "Invitee State". The show had participation of 69 Companies, an increase of nearly 25% over 2012. The show was visited by nearly 2,000 trade visitors from top OEMs and their vendors. A number of overseas visitors from Japan, Singapore etc. were also registered. Overseas exhibitors from Korea, Thailand and subsidiary of a Mexican multinational also participated in the show.

19th International Leather Goods Fair (ILGF), 2014, KOLKATA

The 19th International Leather Goods Fair (ILGF) was organized at Milan Mela Complex, Kolkata with 62 companies covering a net area of 919 sq mts. The fair was visited by 60 overseas buyers including RBMS Buyers and overseas buying agents from 25 countries such as Australia, Austria, Germany, Spain, Italy, UAE, Japan, Greece, USA, UK, the Netherlands, Tunisia, Uzbekistan, Peru, Brazil, Cyprus, Sri Lanka etc. along with domestic retailers.

ITPO had taken a special drive towards Corporate Social Responsibility by providing a platform to the weaker sections of society dealing with leather products.

MAJOR INITIATIVE OF ITPO AS AN EVENT MANAGER FOR MICE (MEETINGS, INCENTIVES, CONVENTIONS & EXHIBITIONS)

In addition to organizing trade fairs/exhibitions and seminars, ITPO also commenced complete event management for showcasing initiatives by trade and Government. During the year 2013-14, major events where ITPO undertook the complete event management were:

1. INSPIRE: (Innovation in Science Pursuit for Inspired Research) is an innovative programme sponsored

by the Department of Science & Technology (DST) for attraction of talent to Science. The basic objective of INSPIRE is to communicate to the youth of the country the excitements of creative pursuit of science, attract talent to the study of science at an early age and thus build the required critical human resource pool for strengthening and expanding the Science & Technology system and R&D base in the country. The 2012 and 2013 editions of this event were managed by ITPO as an Event Manager. INSPIRE 2013 which was held from Oct. 8-10, 2013 in an area of about 15000 sq. mts, was inaugurated by Dr. A.P.J. Abdul Kalam, Hon'ble Ex-President of India and closing ceremony was graced by Shri Mohammad Hamid Ansari, Vice-President of India. The event attracted about 20,000 visitors from all over India. ITPO made all arrangements such as mounting of the event, inauguration ceremony, F&B, publicity, logistics etc. In view of the successful organisation of the event, DST has signed an MOU with ITPO for managing future editions of the events also.

I am delighted to mention that this year Shri Narendra Modi, Hon'ble Prime Minister of India is likely to inaugurate the mega event to be held in October, 2014.

2. SWAVALAMBAN: National Fair on Aids and Assistive Devices "SWAVALAMBAN", a first of its kind; was organized by Department of Disability Affairs at Pragati Maidan from July 25-28, 2013. The entire event management for this show was undertaken by ITPO successfully.

3. Aajeevika: On the 2nd anniversary of National Rural Livelihoods Mission, Aajeevika Diwas was celebrated as a one day event at Pragati Maidan on June 3, 2013. The event was inaugurated by Smt. Sonia Gandhi, Chairperson, UPA. The national level event showcased the richness and nuances of this unique poverty alleviation effort of Government of India in all its complexity and range. The complete event was managed by ITPO successfully.

4. Conferences on Food Safety & Standards Procedures: The 10th Central Advisory Committee

Meeting of the Food Safety and Standards Authority of India (FSSAI) was held at Pragati Maidan on Sept. 27, 2013.

OTHER TRADE PROMOTIONAL ACTIVITIES

For exploring various trade opportunities, mutual cooperation etc., delegations from Taipei Economic and Cultural Center in India, Malaysia-India Chamber of Commerce (MAICOM), Kuala Lumpur, Malaysia, Korea and Delhi Exporters Association visited ITPO during the year.

To increase networking and cooperation with other trade promotion organisations, ITPO has been actively participating in Asian Trade Promotion Forum (ATPF), a gathering of Trade Promotion Organizations (TPOs) coordinated by JETRO. The Forum has been successfully utilised by ITPO in mobilisation of business visitors/ delegations in India and overseas.

ITPO is a member of the India Convention Promotion Bureau (ICPB) and participates in the activities organized by the ICPB. ITPO also signed an MoU with Visvesvaraya Industrial Trade Centre (VITC), Karnataka for co-operation in promoting the industry and exports from the region. Several interactions with the representatives of EPCs, Trade Bodies and Govt. Depts. were held during the year for involving them in ITPO's overseas activities for FY 2014-15. Discussions were held with The Southern Gujarat Chamber of Commerce during December 2013 regarding their participation in ITPO's overseas as well as domestic fairs of 2014-15

OTHER EVENTS

During the year, 67 fairs/exhibitions were organized by various trade and industry bodies/ event organizers other than ITPO at Pragati Maidan. 20 seminars/ conferences were also organized by various industry associations, Central Ministries, Export Promotion Councils etc. Out of 67 events organized in Pragati Maidan, there were 10 new events. 4 exhibitions, namely, Powergen, Acquatech, Smartcard Expo and Modern Machine Shop, which had shifted their locations, were now back in Pragati Maidan.

Besides, 2 events on vehicle launch were also organized in Pragati Maidan. This is new trend of events in ITPO. The major fairs/exhibitions include Auto Expo, Defexpo, Acetech, New Delhi World Book Fair, Wills Lifestyle Fashion Show, India Intl. Garment Fair and United Art Fair. The capacity utilization of air-conditioned halls, which are mainly booked for exhibition in Pragati Maidan, was 45.80% which may be seen against an international standard of below 30%.

Taking into consideration various inputs i.e., their usage, trends of the exhibition venues in the country, suggestions of the stakeholders, rentals have been revised. Accordingly, the differential rentals for exhibition and mounting/ dismantling days, categorisation of the halls into different categories based on their utilities, re-defining the lean period have been taken into account for revising the license fee structure for 2014-15. The rationalisation of licence fee structure is expected to generate more participation and business for the organisation, which is already evident.

FUTURE EXPANSION PLAN

With the main objective of meeting new business challenges, maintaining growth for the organization, supporting G-to-G, G-to-B and B-to-B conventions and exhibitions as per the decision taken by the Central Govt., the Company is undertaking the future expansion project through development of a state-of-the art Integrated Exhibition-cum-Convention Complex in the Pragati Maidan.

IT INITIATIVES

This year ITPO was at the forefront in introduction of information & communication technologies (ICT) based solutions. A paradigm shift in the setting up and management of ICT services was achieved to improve efficiency in its business operations, through upgradation of a technology to the latest available platform & building redundancy for circumventing technological failures.

During the IITF 2013, ITPO took the **first ever initiative** of live web cast of the entire proceeding



India Trade PrOMOTION OrGanISa TION

of the inaugural function, all state day functions, celebrations & cultural programmes held at Hamsadhwani theatre. Outdoor LED screens at strategic locations were installed in Pragati Maidan premises during IITF 2013, for displaying general information about the fair, information about all exhibitors & State/Government pavilions, Indian culture & heritage. Mobile applications were made available on smart phones, tablets computers and other mobile devices during ITPO's own fairs. Visitors could get information related to events organized, exhibitors, venue details, parking & food facilities, daily event details, what's new etc. Search & drill down facility for hallwise information was provided on product, country, exhibitor.

The Company stressed on implementation of e-governance activities aiming at enhanced transparency, accuracy and reliability. Migration to a robust, reliable, secured and cost effective web enabled messaging system and Internet services from National Informatics Centre were successfully accomplished. E-publishing of tender details on Central Public Procurement Portal (CPPP) was successfully implemented. Upgradation of corporate & fair related websites through value added features making it more user friendly, citizen centric, better accessibility features & ambience, more communicative, modular with ease of navigation etc. resulted in increased viewership for our corporate website & thereby higher visit count. During IITF'13, the number of hits crossed 87 lakhs.

HINDI RAJ BHASHA

ITPO ensures proper implementation of Official Language Policy of Govt. of India. Hindi workshops are being organized every year to create an atmosphere to execute official work in Hindi. The Corporate website of ITPO www.indiatraderfair.com was prepared in bilingual form and is being updated regularly. Hindi Week was organised during September, 2013.

Apart from, the regular Hindi monthly journal "Udyog Vyapar Patrika", Business Visitors Guides, Backgrounder of IITF'2013, Mobilization folders of

different exhibitions organized at Pragati Maidan, Annual Report 2012-13, the Memorandum of Understand between ITPO and the Department of Commerce were brought out in Hindi as well as English. The Corporate quarterly journal "Darpan" (Hindi edition of Log On) was also published.

SUBSIDIARY COMPANIES:

Tamilnadu Trade Promotion Organisation (TNTPO):

During the year 2013-14, TNTPO, the subsidiary company of ITPO organized 115 exhibitions in the Exhibition Hall of Chennai Trade Centre and 94 events took place in the Convention Centre. The total income of Rs.40.02 crore and net surplus of Rs.27.48 crore has been earned by the subsidiary company. **The capacity utilization of Chennai Trade Centre was 72% during the year.**

Karnataka Trade Promotion Organisation (KTPO):

During the year 2013-14, Karnataka Trade Promotion Organisation(KTPO), another subsidiary company of ITPO organized 31 events in Trade Centre, Bangalore and total income was Rs.8.24 crore.

HUMAN RESOURCE MANAGEMENT

Various guidelines issued from time to time were followed on reservation in appointment/promotion in respect of SCs/STs & OBC etc. During the year 2013-14, 107 officials were promoted and 45 officials were granted personal up-gradation under Incentivized Assured Career Progression Scheme (IACPS).

Under the ITPO Employees Welfare Scheme 1997, the Marriage advance, Household/Recreation Equipment Advance and Education Advance were introduced. HBA & Vehicle Advances were revised further.

VRS Scheme 2013-14 was introduced. Group Medical Insurance Coverage for serving employees has been introduced. Perks and allowances of ITPO employees have been raised to a uniform limit of 50% of basic pay w.e.f. 01.04.2014 as per DPE guidelines.

For development of human resources, in-house training programmes in areas of Skill Upgradation, IT Skills, Risk Management, Training to engineering personnel and training to Security personnel were given to the officers/officials .

CORPORATE SOCIAL RESPONSIBILITY

Under the CSR Initiative for the year 2013-14, ITPO, in consultation with Department of Social Welfare, Govt. of NCT of Delhi, provided 700 Geriatric Bed Mattresses, 2 Nos. each of Roti Making Machines and Dough kneading Machines to Asha Kiran Home for Mentally Retarded, Rohini; 1 No. each of Roti Making Machine and Dough kneading Machine to Home for Leprosy Effected Beggars at Tahirpur and 60 Nos. Geriatric Bed Mattresses to Old Age Home, Bindapur. ITPO also provided CSR Support to small artisans of leather goods in the form of free space to display their products in the 19th International Leather Goods fair (ILGF), Kolkata.

CORPORATE GOVERNANCE

ITPO is fully committed towards good corporate governance in letter and spirit. ITPO makes all efforts to achieve the highest level of corporate governance as per the applicable guidelines in this regard. The Board of Directors, the Audit Committee and the Remuneration Committee have been constituted in line with the Guidelines of DPE on Corporate Governance. The Company achieved "Excellent" grade in compliances of corporate governance. The "Whistle Blower" Policy has been approved by the Board and implemented in ITPO.

CODE OF CONDUCT

The Code of Conduct formulated for Board members & Senior Management Personnel has

been duly complied with. The confirmation of compliance of the same has been obtained from all concerned as per the DPE guidelines and the declaration has been placed as part of the Directors Report.

ACKNOWLEDGEMENTS

I take this opportunity to thank all the Members of Company for their continued and unstinted support as well as the confidence reposed in the Management. I wish to extend my sincere thanks to the Department of Commerce who has given the wholehearted and continued support. I am also thankful to other Ministries/Embassies and offices of Central and State Governments and particularly Ministry of Urban Development, Ministry of External Affairs, including the Indian Missions for their continued guidance and assistance. The Directors are also grateful to the Delhi Development Authority, Central Public Works Department, Municipal Corporation of Delhi, Delhi Police, Mahanagar Telephone Nigam Limited and other agencies and individuals for their willing co-operation extended to ITPO. On behalf of ITPO. I seek support from all stakeholders and assure to continue more quality services as has been done in the past. My sincere thanks to all my colleagues on the Board, Auditors and to all the employees of ITPO for their discipline, devotion, dedication and hard work through which the company could continue excellent performance. We are sure that with this support and trust, ITPO will achieve many more milestones and newer heights ahead in the future.

Sd/-

(Rita Menon)

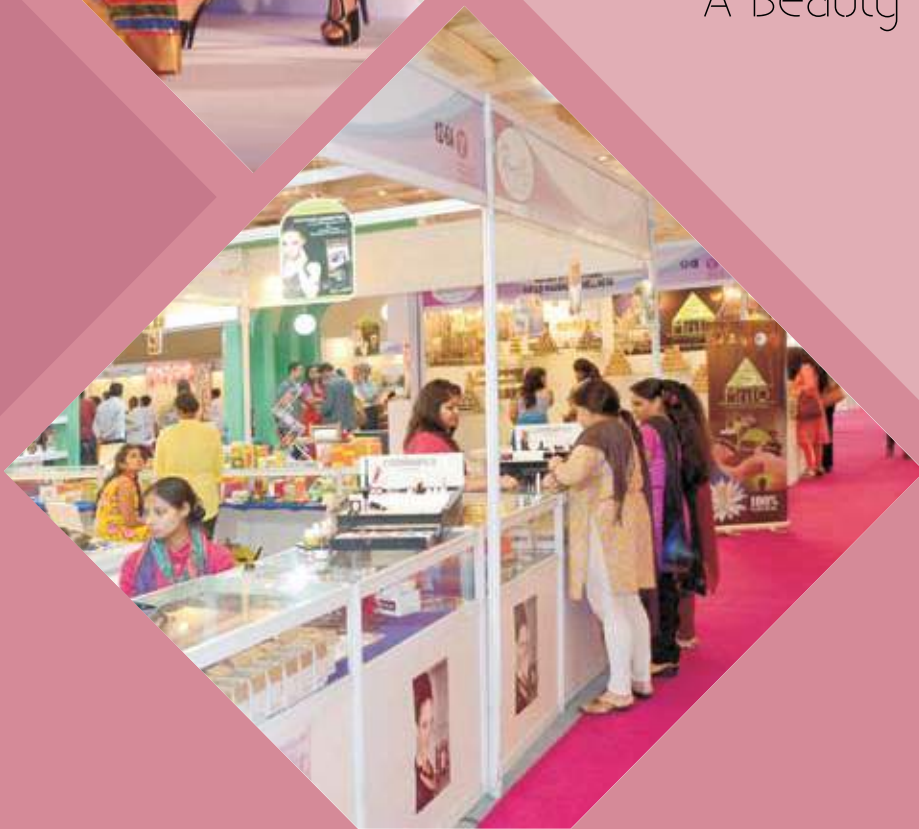
Chairperson and Managing Director
India Trade Promotion Organisation

Place: New Delhi
Date : 23.09.2014



KOSMETIKA

A Beauty & Wellness show





Notice of Annual General Meeting



1



2

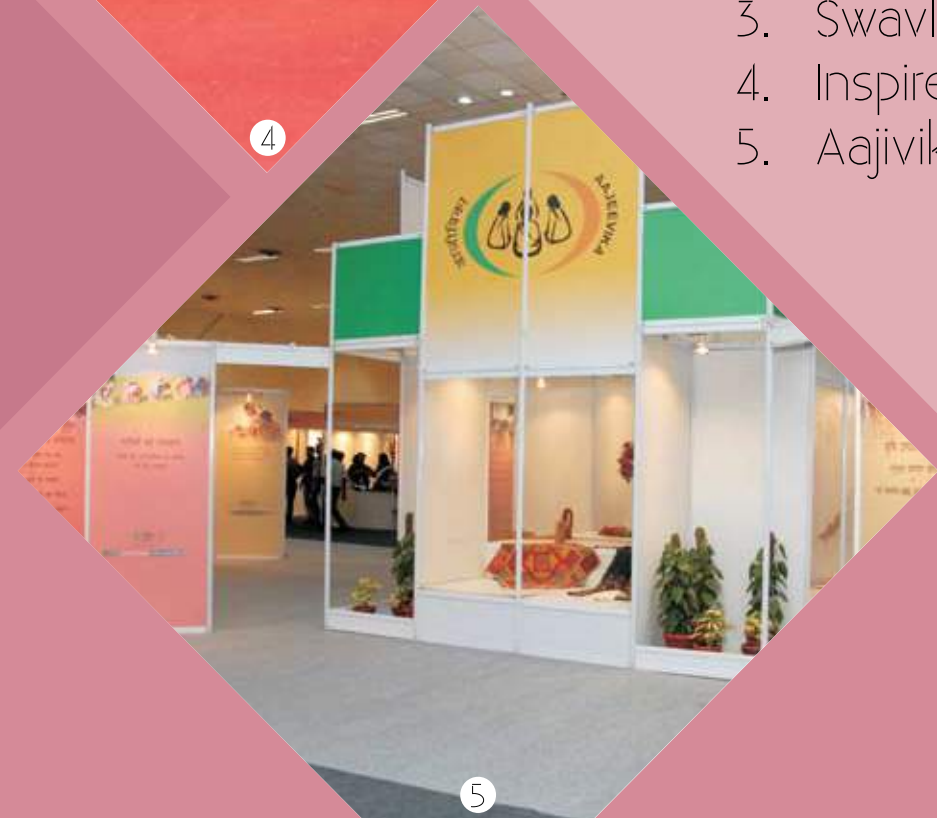


3



4

1. Inspire
2. India Gems & Jewellery Fair
3. Swavlamban
4. Inspire
5. Aajivika Diwas



5

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 37TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S INDIA TRADE PROMOTION ORGANISATION WILL BE HELD ON TUESDAY THE 23RD DAY OF SEPTEMBER, 2014 AT 12.00 NOON AT THE REGISTERED OFFICE OF THE COMPANY AT PRAGATI BHAWAN, PRAGATI MAIDAN, NEW DELHI-110001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Income & Expenditure for the financial year ended on that date together with the report of Directors and the Auditors' Report thereon.
2. To appoint and fix the Remuneration of Statutory Auditors of the company appointed by the Comptroller & Auditors General of India (C&AG).

**BY ORDER OF THE BOARD OF DIRECTORS
INDIA TRADE PROMOTION ORGANISATION**

Sd/-
(S.R. Sahoo)
Company Secretary

Place : New Delhi
Dated : 02-09-2014



India Trade
PrOMOTION OrGanISaTION

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF APPOINTING PROXIES SHALL HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Proxy from is enclosed herewith.

**BY ORDER OF THE BOARD OF DIRECTORS
INDIA TRADE PROMOTION ORGANISATION**

Sd/-
(S.R. Sahoo)
Company Secretary

Place : New Delhi
Dated : 02-09-2014

INDIA TRADE PROMOTION ORGANISATION
REGD. OFFICE-PRAGATI BHAWAN, PRAGATI MAIDAN, NEW DELHI-110001

PROXY FORM

I/we _____ of _____
in the district of _____ being a member of the above named
company, hereby appoint _____ of _____ in the
district of _____ of failing him _____ of _____ in the district
of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company
to be held on _____, the _____ at _____ AM/PM at
the Registered Office of the Company and at any adjournment thereof.

Signed this _____ day of _____ 2014

AFFIX
REVENUE
STAMP

Note : The Proxy Form duly completed must be deposited at the registered office Pragati Bhawan, Pragati Maidan, New Delhi-110001 not less than 48 hours before the time for holding the meeting. A proxy need not be a member.



guration
Delhi Book Fair 2013
and
15th Stationery Fair, 2013
By
Shri Pradeep Kumar
Central Vigilance Commission
On 22nd August, 2013
Pragati Maidan, New Delhi

Reynolds

SCRATCH
AND
WIN

DELHI BOOK FAIR
& STATIONERY FAIR

Directors' Report



DIRECTORS' REPORT

To the Members,

Year 2013-14 continued to be a challenging year for Indian economy. Growth rate was low at 4.7%, rupee depreciated and inflation continued to be a concern. In spite of this background, your Company was able to achieve significant growth both in terms of revenues and in surplus. Directors have pleasure in presenting the Company's 37th Annual Report and Audited Statement of Accounts for the financial year ended on 31st March, 2014.

1. FINANCIAL HIGHLIGHTS

The performance of your Company was exceptionally well compared to the previous year in spite of the fact that some major events of biennial/triennial nature not scheduled / held in 2013-14. The performance of the Company during 2013-14 has resulted in a surplus of Rs.180.01 crore as compared to Rs. 152.29 crore in the preceding year. The total income generated by the Company during the year is Rs. 351.86 crore compared to Rs. 336.58 crore in the previous year. The total expenditure incurred by the Company during the year was reduced to Rs.171.85 crore from Rs.184.29 crore during the preceding year.

The Company is registered under Section 25 of the Companies Act, 1956 and as per relevant provisions under this Section as applicable to the Company, declaration of dividend is prohibited. Consequently, the excess of income over expenditure has been retained and transferred to reserve and surplus account.

2. BOARD OF DIRECTORS

You Company has two Functional Directors – (i) Smt. Rita Menon was appointed as the Chairperson and Managing Director of the Company with effect from 3rd January, 2012, and; (ii) Shri Malay Shrivastava took over the charge of the office of Executive Director, on 24th January, 2013. The other Directors on the Board of the Company are enumerated below:

Sl. No.	Name of Director	From	To
1.	Shri J.S. Deepak Additional Secretary, Ministry of Commerce & Industry, New Delhi	18.08.2010	Continuing
2.	Shri B.P. Pandey Additional Secretary & Financial Adviser, Ministry of Commerce & Industry, New Delhi	04.06.2014	Continuing
3.	Shri S.N. Tripathi Joint Secretary Ministry of Micro Small & Medium Enterprises (MSME) New Delhi	23.09.2013	Continuing
4.	Shri Soumen Baghci Joint Secretary (ES&ITP) Ministry of External Affairs, New Delhi	04.06.2014	Continuing
5.	Shri Abhijit Basu Former Addl. Controller General of Defence Accounts Gurgaon	12.01.2012	Continuing
6.	Shri S.M. Lodha Former CEO,	12.01.2012	Continuing
7.	Shri D.S. Rawat Secretary General ASSOCHAM, New Delhi	12.01.2012	Continuing
8.	Ms. Anita Agnihotri Additional Secretary & Financial Adviser Ministry of Commerce & Industry New Delhi	18.06.2012	4.6.2014
9.	Shri Prabhat Kumar Joint Secretary (ES&ITP) Ministry of External Affairs New Delhi	24.07.2012	21.5.2014
10.	Shri C.K. Mishra Joint Secretary Ministry of Micro, Small & Medium Enterprises (MSME) New Delhi	11.05.2012	23.09.2013

3. MEMORANDAM OF UNDERSTANDING (MoUs)

The Company signs an MoU with its Administrative Ministry namely, Ministry of Commerce & Industry, Government of India every financial year. Accordingly, the MoU for the year 2014-15, was signed on 25th March 2014.

In the MoU 2014-15 "Excellent Financial Target for Gross Sales has been fixed at Rs. 243.00 Crore and for Net Surplus Rs. 145.00 crore.



Smt. Rita Menon, CMD, ITPO and Shri Rajeev Kher, Commerce Secretary on the occasion of Signing of MoU - 2014-15

The other notable non-financial targets enshrined in the MoU are Redevelopment of Pragati Maidan – Administrative Approval and Expenditure Sanction from Competent Authority, Succession Plan for next 10 years, Infrastructure Improvement & Upgradation of Services, and Expenditure on CSR activities as per DPE Guidelines. Your Company has achieved MoU "Excellent" rating for the year 2011-12 and 2012-13. For the year 2013-14, the MOU rating is also likely to be "Excellent", as per self-evaluation.

4. FOREIGN FAIRS

During the year 2013-14, the Company organized India's national level participation in 24 overseas trade fairs including 2 Mini India Shows in Osaka (Japan). Of these 24 events, 9 were held in Europe, 5 in Africa/WANA, 5 in NAFTA/LAC, 4 in Asia and one in CIS region. Out of total 24 events, 16 were General Fairs and 8 were specialized Fairs.

Some of the major events included Africa's Big Seven, Johannesburg (South Africa); Summer Fancy Food

Show, New York (USA); ANUGA, Cologne (Germany); India Garment Fair & India Home Furnishing Fair, Osaka (Japan); AAPEX, Las Vegas (USA); MEDICA, Dusseldorf (Germany); Saudi Agro Food, Riyadh (Saudi Arabia); and AFL' Artigiano in Fiera – International Handicrafts Fair, Milan (Italy).



India Garment Fair, and India Home Furnishing Fair, Japan, 2013

That apart, the Company organized 34th and 24th editions of its long established India Garment Fair and India Home Furnishing Fair, respectively in Osaka (Japan). These two events together generated business worth US \$ 36.67 million and attracted visits of 2149 business visitors. Growth in size of these twin fairs was about 70% in 2013 over 2012 editions.

The Company is a designated Marketing Development Assistance (MDA) Grantee Organization by the Department of Commerce (DOC) for disbursement of grant under MDA Scheme to exporters who are members of other Export Promotion Councils etc. and are participating in those overseas fairs, through the Company, which are approved by DOC. For the year 2013-14, DOC has approved four overseas fairs under MDA Scheme and granted Rs. 160 lakhs for disbursement to exhibitors.

5. FAIRS IN INDIA

During 2013-14, 16 national and international trade fairs/ exhibitions were organized in India by your Company. Out of these, 11 were organized in Delhi and 5 in other cities. The events organized in Pragati Maidan during the year included 3rd Edition of India International Leather Fair, July 4-6, 2013; 33rd India



India Trade PrOMOTION OrGaniSaTION

International Trade Fair (IITF 2013), November 14-27, 2013; and 29th edition of Aahar – The International Food & Hospitality Fair, March 10-14, 2014; India Gem & Jewellery Fair April, 2013; National Furniture Furnishing & Décor Fair, Oct. 2013; India International Security Expo, Sept 2013; Nakshtra 2013, Kosmetika 2014.

I. MAJOR FAIRS HELD AT PRAGATI MAIDAN, NEW DELHI

India International Leather Fair – Delhi

India Trade Promotion Organisation (ITPO) organized the 3rd edition of India International Leather Fair (IILF) in Delhi from July 04-06, 2013. Smt Rita Menon, CMD, ITPO, along with Mr. Giantuluca Grandi (Charge d’Affaires, Embassy of Italy, New Delhi) and Mr. Roberto Pellegrini (President, Riva Del Garda Fierecongressi) jointly inaugurated the Fair on July 04, 2013.



India International Leather Fair, 2013

IILF’ Delhi 2013 covered a gross area of 4000 sq mts. There were 105 exhibitors including 38 from overseas mainly from China, Taiwan, Germany & Italy. A comprehensive range of products and services relating to leather industry – Finished Leather, Synthetic Materials, Footwear Components, Machinery & Equipment, Chemicals, Software, Publications etc. were on display at the Fair.

A total of 4847 business visitors visited the fair, out of which 49 were overseas business visitors from 15 countries. These included visitors were from countries like China, UAE, UK, USA, Nepal, Afghanistan, Serbia, Qatar, Jordan, Turkey, Italy and France. As per

detailed feedback from exhibitors, the business generated during the fair was Rs. 6628.10 lakhs. Besides, about 8200 trade enquiries were also generated.

19th DELHI BOOK FAIR’2013

The 19th edition of Delhi Book Fair was organized by ITPO during August 23-31, 2013 at Pragati Maidan. There were 200 exhibitors from India and abroad who participated in this Fair in an area of 4434 sq. mts. “Libraries & Readership” was chosen as the theme for the event. Seminars including a debate amongst University students on “Environmental Disaster caused due to Development of Vulnerable Hilly Areas” were also organized during the currency of the event. Awards of excellence in displays were distributed in 3 categories viz. Hindi, English and Regional Languages.

STATIONERY FAIR’2013

The 15th edition of Stationery Fair was organized by ITPO from August 23-31, 2014 at Pragati Maidan coinciding with Delhi Book Fair. A total of 38 participants exhibited their products in an area of 658 sq mts in this Fair. Awards of excellence in displays were distributed. The Fair complemented the Delhi Book Fair with its product profile.

INDIA INTERNATIONAL TRADE FAIR’2013

The 33rd India International Trade Fair 2013 (IITF’13) was held during November 14-27, 2013 in Pragati Maidan with a theme “**Inclusive Growth**”. The fair



India International Trade Fair, 2013

was inaugurated by Shri Pranab Mukherjee, the Hon'ble President of India. Shri Anand Sharma, Hon'ble Union Minister of Commerce & Industry was the Guest of Honour. Bihar was **"Partner State"** and Orissa was the **"Focus State"**.



India International Trade Fair, 2013

As many as 6,000 exhibitors participated in IITF 2013. About 260 overseas exhibitors from 20 countries displayed their exhibits in the fair. 8 countries viz. Afghanistan, China, Indonesia, Japan, Lithuania, Pakistan, South Africa and Thailand had set up their National Pavilions. The companies representation were from Czech Republic, Canada, Egypt, Hong Kong, Iran, Italy, Myanmar, Nepal, Singapore, South Arabia, Thailand, Turkey, UAE and Vietnam. Japan was "Partner Country" and South Africa was the "Focus Country".

Giving the Fair a pronounced business dimension, entry to the Fair in the first 5 days viz. November 14-18, 2013 was exclusively reserved for business and trade visitors. More than 1.5 million visitors including about 42,000 business visitors during the first 5 business days (November 14-18, 2013) shown their presence in IITF 2013. In addition, 279 foreign delegates from 52 countries including 53 business delegations visited the fair.

Alongside the event, a number of seminars and conferences on topical interests were also organized. The visitor profile included industry leaders, wholesalers, retailers, exporters, importers, overseas business delegations and buyers, manufacturers, suppliers, marketing and direct selling companies, government agencies, service

agencies, general public, bureaucrats and policy makers besides media persons.

The Customer Satisfaction Survey conducted by an independent agency revealed that about 90% of the exhibitors were inclined to repeat their participation in the next edition of IITF.

AAHAR – THE INTERNATIONAL FOOD & HOSPITALITY FAIR'2014

The Company organized the 29th edition of Aahar – The International Food & Hospitality Fair depicting two concurrent exhibitions, mainly, "Food India" and "Hospitality India" during March 10-14, 2014 in Pragati Maidan. As in the past, the event was organized with the support of the Ministry of Food Processing Industries and other Associates.



AAHAR - The International Food and Hospitality Fair, 2014

The Fair was inaugurated by Smt. Rita Menon, CMD, ITPO and all supporting Organization/Co-Associates. The products on display included Fruits and Vegetables, Dairy Products, Bakery & Confectionery Products, Organic and Health Products, Meat and Poultry Products, Processed Foods, Food Ingredients, Fine Food, Food Preservatives, Chocolates, Cheese, Bakery and Confectionery Equipment, Kitchen Equipment, Kitchen and Food Service, Kitchenware Equipment-crockery/ Cutlery/Chaffing Dishes, Food and Beverage Equipment, Food Processing, Packaging Equipment and Machinery etc. Culinary Show at the fair was the center of attraction.

The show was organised in area of 44,000 sq mts where a total of 776 exhibitors including 48 overseas



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exhibitors participated. Overseas exhibitors were from countries such as Australia, Austria, Canada, China, France, Germany, Hong Kong, Indonesia, Italy, Malaysia, Poland, Romania, Spain, Sweden, Thailand, Turkey, United Arab Emirates and USA.

INDIA INTERNATIONAL SECURITY EXPO'2013

The 16th edition of India International Security Expo (IISE) organized by ITPO was held at New Delhi during September 26-29, 2013 in area of 2802 sq.mtrs. with the support of Ministry of Home Affairs, CISF, Security Promotion Group of India as co-organiser and other



India International Security Expo, 2013

Govt. Agencies. There were 92 companies which displayed their products in the exhibition. This year's event attracted prominent companies such as Godrej, L&T, ECIL, BEL, ESSL, IJS, Indian Armour etc. The theme pavilion "Made in India" that showcased completely indigenous products, featured 13 Indian companies. The event was inaugurated by the Union Home Secretary.

KOSMETICA'2014

Kosmetika 2014 was organized by ITPO from March 25-30, 2014 at Pragati Maidan. A total of 52 companies from the beauty and wellness industry participated in the event. Doordarshan was the media partner for the event and covered all the programmes held during Kosmetika. Around 2400 visitors, which included 279 business visitors attended the show. The organization and the ambience of the exhibition was appreciated by all

visitors and participants. Besides the exhibition, the fair also had featured products launches, products demonstrations, connected shows, seminars, etc.

II. FAIRS HELD AT REGIONAL LEVEL OUTSIDE DELHI

Auto Ancillary Show, Pune

The 2nd edition of Auto Ancillary Show was held in Pune from October 25-28, 2013. The show was inaugurated by Hon'ble Chief Minister of Maharashtra, Shri Prithviraj Chavan, in the presence of Hon'ble Mayor of PCMC, Smt. Mohinitai Lande. The show was co-organised by Auto Cluster Development & Research Institute (ACDRI), Pune.

AAS 2013 was supported by Ministry of Heavy Industries & Public Enterprises, Ministry of MSME and NSIC. Asian Trade Promotion Forum (ATPF) and Japan External Trade Organisation (JETRO) have also extended support.

The show had participation from Government of Jharkhand as "Partner State", Tamil Nadu as "Focus State" while Maharashtra was represented as the "Invitee State". The show had participation of 69 Companies, an increase of nearly 25% over 2012. The show was visited by nearly 2,000 trade visitors from top OEMs and their vendors. A number of overseas visitors from Japan, Singapore etc. were also registered. Overseas exhibitors from Korea, Thailand and subsidiary of a Mexican multinational also participated in the show. Arrangements at the show were appreciated.



Auto Ancillary Show, Pune, 2013

INDIA INTERNATIONAL LEATHER FAIR (IILF), 2014, CHENNAI

India Trade Promotion Organisation (ITPO) organized the 29th edition of India International Leather Fair (IILF) in Chennai during February 1- 3, 2014. Shri E.M. Sudarsana Natchiappan, Hon'ble Minister of State for Commerce & Industry, Government of India, inaugurated the Fair on 31st January, 2014.

The 29th edition of IILF' 2014 covered a net area of 9282 sq mts. There were 385 exhibitors including 90 overseas exhibitors from 18 countries namely Bangladesh, Brazil, China, France, Germany, Iran, Italy, Portugal, Saudi Arabia, Spain, Sri Lanka, Switzerland, Taiwan (R.O.C.), Thailand, The Netherlands, Turkey, UAE and United Kingdom. Group participation from China, France, Germany, Italy, Spain and Thailand was also a major attraction.

A total of 10,068 registered business visitors including 332 overseas visitors from 48 countries visited the fair. As per initial feedback received from exhibitors, the business generated amounted to USD 239.87 million. About 98% of the exhibitors have shown interest to participate again in the 30th edition of the fair scheduled from Feb 01-03, 2015 at Chennai Trade Centre which clearly shows high level of satisfaction in achieving the objectives of the participants.

19th INTERNATIONAL LEATHER GOODS FAIR (ILGF), 2014, KOLKATA

The 19th International Leather Goods Fair (ILGF) was organized by India Trade Promotion Organisation (ITPO) during March 27-29, 2014 at Milan Mela Complex, Kolkata.

A total of 62 companies from all different parts of the country participated in ILGF 2014 which was organised in a net area of 919 sq mts. Besides a large number of domestic business visitors, the fair was visited by 60 overseas buyers including RBSM Buyers and overseas buying agents from 25 countries such as Australia, Austria, Germany, Spain, Italy, UAE, Japan, Greece, USA, UK, the Netherlands, Tunisia, Uzbekistan, Peru, Brazil, Cyprus, Sri Lanka etc.

This year an added highlight of the event was Corporate Social Responsibility (CSR) initiative by ITPO. ITPO had taken a special drive towards Corporate Social Responsibility by providing a platform to the weaker section of the society dealing with leather products who could display their products in an international event like ILGF.

III FAIRS ORGANISED BY OTHERS AT PRAGATI MAIDAN, NEW DELHI

Exhibition Hall / Conference facilities are provided to trade and industry, event organizers for organizing specialized as well as general trade fairs/exhibitions, conferences and other events/activities. During the year, 67 fairs/exhibitions were organized by various trade and industry bodies/event organizers other than ITPO at Pragati Maidan. 20 seminars/conferences were also organized by various industry associations, Central Ministries, Export Promotion Councils etc. Out of 67, there were 10 new events. 4 exhibitions, namely, Powergen, Acquatech, Smartcard Expo and Modern Machine were now back in Pragati Maidan. The major fairs/exhibitions include Auto Expo, Defexpo, Acetech, New Delhi World Book Fair, Wills Lifestyle Fashion Show, India Intl. Garment Fair and United Art Fair. The capacity utilization was 45% for air-conditioned halls.

6. MAJOR INITIATIVE OF ITPO AS AN EVENT MANAGER FOR MICE (MEETINGS, INCENTIVES, CONVENTIONS & EXHIBITIONS)

In addition to organizing trade fairs/exhibitions and seminars, ITPO has also entered into the area of complete event management for showcasing Govt. programmes both trade promotion and social programmes.

Some of the major events where ITPO undertook the complete event management are:

INSPIRE: (Innovation in Science Pursuit for Inspired Research) is an innovative programme sponsored by the Department of Science & Technology (DST) for attraction of talent to Science. The basic objective of INSPIRE is to communicate to the youth of the country the excitements of creative pursuit of science, attract talent to the study of science at an early age



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and thus build the required critical human resource pool for strengthening and expanding the Science & Technology system and R&D base in the country. The 2012 and 2013 editions of this event were managed by ITPO as an Event Manager. INSPIRE 2013 which



INSPIRE - National Level Exhibition and Project Competition, 2013

was held from Oct. 8-10, 2013 in an area of about 15000 sq. mts, was inaugurated by Dr. A.P.J. Abdul Kalam, Ex-President of India. The event attracted about 20,000 visitors from all over India and was concluded by Shri Mohammad Hamid Ansari, Vice-President of India. ITPO as Event Manager made all the arrangements such as mounting of the event, inauguration ceremony, F&B, publicity, logistics etc. In view of the successful organisation of the event, DST has signed an MOU with ITPO for managing future editions of the events also.

SWAVALAMBAN: National Fair on Aids and Assistive Devices "SWAVALAMBAN", a first of its kind, was organized by Department of Disability Affairs at Pragati Maidan from July 25-28, 2013. The complete event management for this show was undertaken by ITPO in a very successful manner. It was inaugurated by Kumari Selja, Hon'ble Minister of Social Justice & Empowerment, Govt. of India and was concluded by Ms. Stuti Kackar, Secretary, Department of Disability Affairs, Ministry of Social Justice & Empowerment.

(Aajeevika-National Rural Livelihoods Mission): On the 2nd anniversary of National Rural Livelihoods Mission, Aajeevika Diwas was celebrated as a one day event at Pragati Maidan on June 3, 2013.

The event was inaugurated by Smt. Sonia Gandhi, Chairperson, UPA where Shri Jairam Ramesh, Minister for Rural Development was also present. The national level event showcased the richness and nuances of this unique poverty alleviation effort of Government of India in all its complexity and range. The complete event was managed by ITPO in a very successful manner.

Conferences on Food Safety & Standards

Procedures: The 10th Central Advisory Committee Meeting of the Food Safety and Standards Authority of India (FSSAI) was held at Pragati Maidan on Sept. 27, 2013. The complete event was managed by ITPO on behalf of FSSAI in a very successful manner.

7. NEW INITIATIVES AND IMPROVEMENTS TAKEN IN VARIOUS SEGMENTS FOR ALL STAKEHOLDERS

- ◆ Introduction of three new domestic fairs organised by ITPO viz. India Gem & Jewellery Fair; Furniture, Furnishing & Decor Fair; and Kosmetika – A Beauty & Wellness Show.
- ◆ Webcast Services for Live Video Streaming during "INSPIRE"; Setting up of LED screens during important fairs to display important events, products, brand/styles etc.; and Mobile Application for ITPO events to readily provide fair related information.
- ◆ Another first ever ICT initiative, the Online Ticket Booking system was successfully accomplished during the New Delhi World Book Fair 2014. The system was seamlessly integrated with online payment gateway for booking of tickets with facility of e-mailing the ticket on the visitor's e-mail account.
- ◆ Deployment of CISF to strengthen the security arrangement in Pragati Maidan approved by MHA after continued efforts of over 2-3 years.
- ◆ Systematic regulated parking of vehicles of Fair Organisers during setting up as well as exhibition period.
- ◆ Provision of eco-friendly hydrogen fuelled passenger and road carriers on complementary basis to all Fair Organisers to facilitate

exhibitors & visitors in collaboration with Ministry of New & Renewable Energy, IIT Delhi, Mahindra & Mahindra and UNDP.

- ◆ Product specific halls were created to facilitate sector specific business at IITF. Innovation Pavilion outside Hall 14 was also created at IITF 2013 for the first time to promote start-ups, young entrepreneurs and new technologists.
- ◆ Crowd management by providing facility to get return Metro ticket from exhibition ground, has led to very smooth traffic around Pragati Maidan during the 14 days of the show. This was also the indirect spin off of ITPO's contribution in reducing carbon foot prints by discouraging car use by the visitors and exhibitors.
- ◆ Introduction of Jan Ahaar/Jan Thali costing Rs. 20/- and Rs. 30/- especially for the labourers, workers and fabricators during construction and dismantling days i.e. before and after IITF.
- ◆ Modern firefighting equipment made available in all exhibition halls to counter any untoward mishap. Mobile cargo scanners and fire tenders were also deployed as a preventive measure at IITF 2013.
- ◆ Regular interactions of ITPO management with Fair organizers for getting their feedback for continuous improvement in delivery of services by ITPO.
- ◆ Regular meetings with Export Promotion Councils (EPCs), Trade Bodies and Govt. Departments for increased participation in foreign fairs.
- ◆ Weekly/fortnightly meeting of Business development committee for prompt disposal of requests for booking of space at Pragati Maidan.
- ◆ Meetings with Resident Commissioners & their officers for their feedback & suggestions for IITF & other domestic and foreign fairs.
- ◆ The services of authorized porters and loaders were experimented successfully in India

International Trade Fair 2013 and are now under review for institutionalized system for all fairs to enhance security.

- ◆ Redesign of ITPO's corporate website for making it more informative & user friendly. Online Space Booking for various fairs. Online Tender Management on Central Public Procurement Portal of NIC. Design, Development & Implementation of Online Centralised Database for Fair Services. Migration on E-Mail Services to NIC Messaging Services.
- ◆ In-house Online Business Visitor Registration and its Analysis for ITPO fairs to ensure security and confidentiality of database.
- ◆ Wi-Fi enablement in few halls in Pragati Maidan – Proof of Concept successfully done.
- ◆ Conservation of electricity consumption upto 11% by use of energy efficient LED/ CFL lamps in Stalls; Use of energy efficient Duct-able Air Conditioning in Hangers & Non AC Hall to provide uniform & comfortable air-conditioning; Use of solar street lights for saving power. Improvement of Power Factor from 0.85 to 0.90 has resulted in saving of Power by 3%.
- ◆ Significant reduction in water consumption of Pragati Maidan of about 30% water by taking innovative measures in maintenance/ repair and regulation of water supply in Pragati Maidan premises.

8. FUTURE EXPANSION PLAN

With the main objectives of meeting new business challenges, maintaining growth for the organization, supporting G-to-G, G-to-B and B-to-B conventions and exhibitions and as per the decision taken by the Central Govt., your Company is undertaking the future expansion project through development of a state-of-the art Integrated Exhibition-cum-Convention Complex in the Pragati Maidan.



9. TRADE DELEGATIONS

Delegations: ITPO hosted the following delegation during the period 2013-14:

A four member delegation comprising of the delegates from Taipei Economic and Cultural Center in India visited ITPO on 12.12.2013 for exploring trade opportunities in respective countries.

A seven-member delegation from Malaysia-India Chamber of Commerce (MAICOM), Kuala Lumpur, Malaysia visited ITPO on 04.02.2014 to discuss mutual cooperation between ITPO and MAICOM.

A meeting was held in the chamber of CMD on 24.2.2014 with the representatives of Delhi Exporters Association. CMD emphasized convergence with Delhi Exporters Association for different activities of ITPO.

A five-member delegation from Korea visited ITPO on 11.03.2014 and discussed issues for development in Trade between ITPO and Korea.

10. COOPERATION WITH OTHER TRADE PROMOTION ORGANISATION

Networking with TPO'S

ITPO has been actively participating in Asian Trade Promotion Forum (ATPF), a gathering of Trade Promotion Organizations (TPOs) since very beginning. All the activities of ATPF are coordinated by Japan External Trade Organization (JETRO). Under the programme, the working-level meeting with representatives of the TPOs of the member countries and the meeting of the CEOs of the member organizations is held annually.

ITPO is also a member of the India Convention Promotion Bureau (ICPB) and participates in the activities organized by the ICPB.

ITPO also signed an MoU with Visvesvaraya Industrial Trade Centre (VITC), Karnataka for co-operation in promoting the industry and exports from the region.

Several interactions with the representatives of EPCs, Trade Bodies and Govt. Depts. were held during the course of the year for involving them in ITPO's overseas activities for FY 2014-15.

A meeting of CMD, ITPO was held with The Southern Gujarat Chamber of Commerce during December 2013 regarding their participation in ITPO's overseas as well as domestic fairs of 2014-15

11. TRADE INFORMATION RELATED ACTIVITIES

National Centre for Trade Information (NCTI), has been set up jointly by ITPO and National Informatics Centre (NIC), Government of India at Pragati Maidan. NCTI is regularly supplementing the information database of ITPO with regard to products and markets. NCTI also manages and upgrades the websites of ITPO. It also looks after the Business Visitors Registration activities of ITPO.

ITPO also brings out a weekly publication entitled "Indian Export Bulletin" (IEB) regularly covering overseas market information, trade opportunities, market survey reports, trade fairs and exhibitions, tender notices (national as well as overseas) and ITPO activities for the benefit of trade and industry. 52 issues of Indian Export Bulletin (IEB) were brought out and hosted on the website (www.tradeportalofindia.org) for quick dissemination and access by the trade and industry during 2013-14.

12. CULTURAL ACTIVITIES

Pragati Maidan has five open-air theatres and one air-conditioned theatre. Various cultural activities are organised in these open-air theatres during the annual flagship event India International Trade Fair (IITF).

A number of cultural activities by renowned artists/groups were performed at various theatres in Pragati Maidan. These programmes include Vocal & Instrumental Music performances and Classical Dances at Shakuntalam, Qawalis, Geets & Ghazals at Falaknuma Theatre, Street Plays at Itihasik Chowk and a number of Puppet Shows are organized on various Social subjects at a specially set up open-air theatre at Food Court.

Hamsadhwani Theatre plays host to a number of cultural events and State days during IITF. The State Day Celebrations are also organised at Lal Chowk theatre by participating States.

Besides IITF, a musical concert was jointly organized by India Trade Promotion Organisation and National Book Trust during New Delhi World Book Fair'2014.

A Film Festival on Centenary of Indian Cinema was organised in collaboration with Directorate of Film Festivals, in which popular Regional & Hindi Films were screened coinciding with Delhi Book Fair 2013 in Shakuntalam Convention Centre.

The Theatres are also rented out to Fair Organisers, who organize exhibitions at Pragati Maidan for trade promotional activities.

13. CORPORATE COMMUNICATION SERVICES

During the year 2013-14, CCSD played a vital role in highlighting ITPO's activities in India and overseas. The Division ensured maximum visibility of the organization through media as well as enhancing its corporate image.

The Division undertook extensive publicity campaigns through print media (national dailies & trade related specialized magazines), electronic media (Doordarshan, TV Channels, AIR & FM Channels), outdoor publicity and digital promotion through website, etc. to mobilize participation and visitors' response in different trade fairs.

Significantly, IITF 2013 received a wide media coverage and reach all across the world due to availability of the information of the fair on mobile phone with internet facility through user friendly mobile application. These publicity campaigns were supplemented by brochures, invitation mailers, posters, press releases, fair catalogues, write-ups, articles and corporate advertisements were also brought out in select media in India and abroad on the organisation's activities and role in trade promotion.

Fulfilling demand of the business community, ITPO's quarterly newsletters 'Business Export Bulletin' and

'Log On' in Hindi & English, have become online. These e-publications disseminate information about the companies activities to trade and industry in India and abroad including Central Ministries and Departments, State Governments EPCs, Commodity Boards etc.

14. TOWARDS ICT ENABLEMENT

This year ITPO was at the forefront in introduction of information & communication technologies (ICT) based solutions. A paradigm shift in the setting up and management of ICT services was achieved to improve efficiency in its business operations, through upgradation of a technology to the latest available platform & building redundancy for circumventing technological failures.

During the IITF 2013, ITPO took the first ever initiative of live web cast of the entire proceeding of the inaugural function, all state day functions, celebrations & cultural programmes held at Hamsadhwani theatre. These programs/events could be viewed globally by internet viewers, live or recorded, through ITPO corporate website. Also, outdoor LED screens at strategic locations were installed in Pragati Maidan premises during IITF 2013, for displaying general information about the fair, information about halls & state/government pavilions, Indian culture & heritage, live view of IITF inauguration program, state day's celebrations & cultural programmes. The mobile application was made available on smart phones, tablets computers and other mobile devices during IITF & Aahar fair. Visitors could get information related to events organized, exhibitors, venue details, parking & food facilities, daily event details, what's new etc. Search & drill down facility for information was provided on product, country, exhibitor and hall wise.

The Company stressed on implementation of e-governance activities aiming at enhanced transparency, accuracy and reliability. Various projects were successfully implemented during the year. Migration to a robust, reliable, secured and cost effective web enabled messaging system and Internet services from National Informatics Centre



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were successfully accomplished. E-publishing of tender details on Central Public Procurement Portal (CPPP) was successfully implemented. Online booking of space by potential exhibitors was implemented for exhibitions organized by ITPO viz. IITE, Aahar International and India International Leather Fairs etc to upmost satisfaction to the users. Upgradation of corporate & fair related websites through value added features making it more user friendly, citizen centric, better accessibility features & ambience, more communicative, modular with ease of navigation etc. resulted in increased viewership to our corporate website & thereby higher visit count.

15. ADMINISTRATION & HRD

During the year 2013-14, 107 officials were promoted and 45 officials were granted personal up-gradation under Incentivized Assured Career Progression Scheme (IACPS).

Guidelines on reservation were compiled within ITPO. Liaison Officers have been nominated to look after the interest of SCs/STs & OBC. In every Departmental Promotion/Selection Committee meetings an officer of appropriate level belonging to SC/ST and minority category was associated to look after the interest of the candidates belonging to these categories. The provisions contained in Persons with Disabilities (Equal Opportunities, Protection of Rights and Full participation) Act 1995 regarding reservation in post/services for disabled person were also complied.

At the welfare level, a special interest free advance equivalent to 70% of one month basic pay + DA as on 31.03.2013 was paid to all eligible employees under the Performance Related Pay (PRP) for the year 2012-13.

Under the ITPO Employees Welfare Scheme 1997, the Marriage advance, Household/Recreation Equipment Advance and Education Advance were introduced. HBA & Vehicle Advances were revised further.

VRS Scheme 2013-14 was introduced. Group Medical Insurance Coverage for serving employees has been introduced. Perks and allowances of ITPO employees has been raised to a uniform limit of 50% of basic pay w.e.f. 01.04.2014.

For development of human resources, in-house training programmes in areas of Skill Upgradation, IT Skills, Risk Management, Training to engineering personnel and training to Security personnel were given to the officers/officials as per the details produced below:

(i) Skill upgradation	: 372 officials
(ii) IT Tools	: 208 officials
(iii) Risk Management	: 08 Senior Executive
(iv) Training to Security officials	: 350 officials
(v) Training to Engineering officials	: 20 officials

RESERVATION POLICY OF GOVERNMENT OF INDIA

Government of India guidelines, issued from time to time, were followed on reservation in appointment/promotion in respect of SC/ST/OBC. During the financial year 2013-14, total of 05 appointments made as per following details:-

	SC	ST	OBC	UR	Total
Group 'A'	--	--	01	02	03
Group 'C'	01	--	--	01	02

During the year, 107 officials were promoted. Out of which, there were 21 from SC and 06 from ST categories. Posts were carried forward in cases wherever eligible officials of reserved category were not available. Out of total identified posts for PWDs 2.40% employees belongs to persons with disabilities. Birthday of Dr. B.R. Ambedkar was also celebrated on 14th April, 2013 and floral tributes were offered.

16. ENGINEERING SERVICES (ARCHITECTURE, CIVIL, ELECTRICAL, AV & CONSERVANCY AND SANITATION)

Engineering Division provides all infrastructures, maintenance and support services to entire area of Pragati Maidan premises spread over in about 123.50 acres. Pragati Maidan offers about 65000 sq. mtr. of exhibition space in 16 Halls besides 12000 sq. mtrs of open display area. An area of about 42,000 sq. mtrs covered exhibitions space is air-conditioned in Hall No.7,8,9,10,11,12,12A,14,15 and 18 along with Lounge facility in Hall No. 7, Conference Hall facilities of 200 seating capacity, Lounge in Hall No. 8, Air Conditioned Business Development Facilities (2 Nos. of 450 and 650 seating capacity each) at Gate 1 and about 25,000 sq.mts is non-air-conditioned Halls i.e. Hall No. 1,2,3,4,5,6 and 16.

Engineering Division provides one stop solution to all infrastructure/facilities required to hold the Exhibitions/ Fairs/Conferences at Pragati Maidan and at other Fairs outside Delhi by ITPO and provide all venue basic services to the fair organized by organizations other than ITPO. Engineering Division has full-fledged self sufficient team of Engineers (Civil & Electrical) & Architects to provide maintenance for all services except horticulture and some part of electrical in which ITPO is assisted by CPWD.

ARCHITECTURAL SERVICES

- Architecture Division prepares layout plans for all exhibitions of ITPO organized in Delhi and other Regional Centres. Layout Plans/drawings are also prepared for ITPO's overseas events.
- Layouts plans of all Third Party Exhibitions are reviewed and amendments made, if needed for ease of visitors and general safety. Inspections are carried out to ensure compliance of architectural guidelines.
- To render consultancy services to various State Governments and Central Ministries as well

as individual exhibitors, participating in the exhibition 'India International Trade Fair 2013', relating to the design of Pavilions and stalls, keeping in view general safety guidelines.

ADDITIONS/MODIFICATIONS IN THE EXISTING INFRASTRUCTURE AT PRAGATI MAIDAN

- Renovation of ITPO cafeteria at Pragati Maidan, New Delhi
- Providing Additional Business Development Facility Block C & D at Gate No. 1.
- Water proofing treatment of roof of Hall No. 18 at Pragati Maidan.
- Rehabilitation of Conference Hall 7 at first floor, phase-I (structure part)
- Development of Standard Operating Procedure (SOP) for conservancy/ housekeeping operation during non-exhibition and exhibition period to up-keep the Pragati Maidan premises up to the mark.

17. REGIONAL TRADE PROMOTION CENTRE (RTPCs)

CHENNAI TRADE CENTRE

Set up over an area of 25.8 acres in Nandambakkam at a prime location in Chennai, the centre comprises of 3 air-conditioned halls without pillars or columns encompassing areas of 4400 sq mtrs, 1760 sq mtrs and 4400 sq mtrs and a Convention Centre commissioned in January 2001. The Convention Centre can accommodate 1500 participants with a provision for dividing the hall into two equal parts. Chennai Trade Centre (CTC) is managed by Tamil Nadu Trade Promotion Organisation (TNTPO), a Joint Venture of ITPO and Tamil Nadu Industrial Development Corporation (TIDCO).

During 2013-14, the Company organised 115 exhibitions in the Exhibition Halls of Chennai Trade Centre and 94 events took place in the Convention Centre.



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TNTPO earned a total income of Rs. 40.02 crore as compared to Rs.33.87 crore in the previous year. The net surplus is Rs. 27.48 crore as against Rs.21.67 crore in the previous year.

TRADE CENTRE, BANGALORE

Located at a prime area in Whitefield, Bangalore, it covers an area of 50 acres. It has an air-conditioned exhibition hall of 5371 sq. mtrs. 11 open exhibition halls have been constructed all around the exhibition hall for display of heavy equipments, machineries and setting up of Food Courts, Business Centre etc. The Trade Centre is being managed by Karnataka Trade Promotion Organisation (KTPO), a joint venture of ITPO and Karnataka Industrial Area Development Board (KIADB). During 2013-14, 31 events were held in Trade Centre, Bangalore and total income was Rs.8.24 crores.

18. PROGRESSIVE USE OF THE OFFICIAL LANGUAGE (HINDI)

To ensure proper implementation of Official Language Policy of Govt. of India in ITPO, an Official Language Committee has been constituted under the Chairmanship of CMD and its meetings are organized regularly. Instructions received from Parliamentary Committee on OL, Department of OL, Kendriya Sachivalaya Hindi Parishad and Hindi Section of Department of Commerce are properly followed in ITPO.

Hindi workshops are being organized every year to create helping atmosphere to execute the official work in Hindi. Two workshops were emphasized on 30.5.2013 and 28.3.2014 in which 32 employees were trained about OL Policy of GOL and filling up quarterly report proforma. Apart from its own OL implementation Committee, ITPO represented in the meetings of TOLIC (Delhi) and DOC and proper follow up action was taken on the decision made in these meetings. Officers of Department of OL and DOC visited ITPO for inspection of OL Policy in it.

The Corporate website of ITPO www.indiatradefair.com was prepared in bilingual form and is being updated regularly.

ITPO mounted a stall in Delhi World Book Fair held in February, 2014 in which Hindi Monthly Journal "Udyog Vyapar Patrika" was displayed. The aim of this display was to increase membership and get advertisements.

ITPO continued the implementation of the Official Language Policy of the Government of India during the year under review. Efforts were made to achieve targets in different areas as laid down by the Department of Official Language, Government of India. To encourage the use of Official Language in day-to-day official work, Hindi Noting-drafting, Hindi translation, Hindi spelling and Hindi essay competitions were organized during August, 2013 in which Certificates and Cash Prizes were awarded to the participants securing first, second and third positions in each competition. In addition, a set of books (Hindi novel) "Kaal ke Hastakshar, Smriti ke Rekhaayee, Path ke Sathi and Kamayani written by Mahadevi Verma, Jayshankar Prasad and Shivani was given as incentive to each participant.

Apart from, the regular Hindi monthly journal "Udyog Vyapar Patrika", Business Visitors Guides, Backgrounder of IITF'2013, Mobilization folders of different exhibitions organized at Pragati Maidan, Annual Report 2012-13, the Memorandum of Understanding between ITPO and the Department of Commerce were brought out in Hindi as well as English. The Corporate quarterly journal "Darpan" (Hindi edition of Log On) was also published.

To encourage Hindi in routine file work of ITPO, an Incentive Scheme has already been introduced. During the year under review, 5 employees were given cash award of Rs. 5,000/- each for doing cent-percent work in Hindi, one employee was given first prize of Rs.1,000/-, 3 employees were given Rs.600/- each and other one employee was given cash award of Rs.400/-.

19. SECURITY

CISF was inducted w.e.f. June 1, 2014 for overall improvement in security and safety, in and around, Pragati Maidan complex in view of large crowds during the flagship exhibitions, etc. The accommodation and other logistic arrangements have been put in place and CISF is all set to be inducted from 01.06.2014. Regular trainings have been imparted to Security staff in the field of fire safety, disaster management and traffic management.

The staff has been subjected to classes on improvement of soft skills to have better dealing and interaction with visitors and exhibitors. The staff is being regularly imparted training on handling of fire gadgets and security gadgets like explosive detectors, metal detectors, x-ray baggage scanners with the help of CISF, Delhi Fire Services and Delhi Police. The staffs of ITPO have got approval from competent authority for filling of CNG and are being run efficiently by and under the supervision of the security staff of ITPO. Parking facilities and movement of vehicles within ITPO are under continuous review towards improvement for convenience of visitors and exhibitors.

20. VIGILANCE

Vigilance Department, through its CVO, assist in maintaining transparency and integrity in general administration and functioning of various departments of ITPO. Besides investigation and dealing of disciplinary proceedings/cases; Vigilance Department also conducts inspection of ITPO's regional offices and surprise visits in exhibition complex and office spaces. Punitive disciplinary actions, if any, are taken under ITPO Employees (CDA) Rules. In addition to according vigilance clearance to officials in respect of promotions, foreign deputations, superannuation etc and scrutinising annual property returns, Vigilance Department also files monthly, quarterly and annual returns/reports to Department of Commerce,

CVC, CBI. Vigilance Awareness Week is organised annually in ITPO and its regional offices, in order to spread awareness on value of practicing ethical and transparent business transactions in day-to-day official dealings and public interface.

21. SUBSIDIARY COMPANIES

The Company holds 51% equity in each of its two Subsidiary Companies viz. Tamil Nadu Trade Promotion Organisation and Karnataka Trade Promotion Organisation. Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies is set out in appended statement and forms part of this Report (Annexure-I).

22. FIXED DEPOSITS

During the year, the Company has not accepted any public deposits under Section 58A of the Companies Act, 1956 and Rules made there under.

23. AUDITORS

M/s. Kishore & Kishore, Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company for the Financial Year 2013-14 by the Comptroller and Auditor General (C&AG), Government of India.

24. STATUTORY AUDITORS' REPORT

The replies of the Board to each point raised in the Audit Report are set out in Annexure-II and forms part of this report.

The comments of CAG on the annual accounts of the Company for the year ended 31st March, 2014 are set out in Annexure-III and forms part of this report.

25. PARTICULARS OF EMPLOYEES

As none of the Company's employees is getting remuneration in excess of the limit under Section 217(2A), during the year 2013-14, therefore, information in respect of disclosure under Section 217(2A) in the Directors' Report may be treated as 'Nil'.



26. CORPORATE GOVERNANCE

The Board of Directors, the Audit Committee and the Remuneration Committee have been constituted in line with the Guidelines of DPE on Corporate Governance. Both the Board as well as Audit Committee have been meeting at regular intervals as per DPE's Guidelines.

The Company submitted each of the four Quarterly Reports on Compliance with DPE's Guidelines on Corporate Governance to the Department of Commerce during 2013-14, within the specified timelines and reported an Annual Average Pro-rata Score of 96.12% to qualify for a 'Excellent' Grade. A detailed report is set out and appended which forms part of this report Annexure-IV & V.

27. RISK MANAGEMENT

Your Company regularly analyses the risks related to its operations and all steps were taken to manage the known risks by insurance, etc.

28. CODE OF CONDUCT

ITPO has formulated a Code of Conduct for the Board of Directors and Senior Management Personnel. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Board Members and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by CMD is annexed to this report Annexure-VI.

29. CORPORATE SOCIAL RESPONSIBILITY

Under the CSR Initiative for the year 2013-14 ITPO, in consultation with Department of Social Welfare, Govt. of NCT of Delhi, has provided 700 Geriatric Bed Mattresses, 2 Nos. each of Roti Making Machines and Dough Kneading Machines to Asha Kiran Home for Mentally Retarded, Rohini; 1 No. each of Roti Making Machine and Dough Kneading Machine to Home for Leprosy Affected Beggars at Tahirpur and

60 Nos. Geriatric Bed Mattresses to Old Age Home, Bindapur. ITPO also provided CSR Support to small artisans of leather goods in the form of free space to display their products in the 19th International Leather Goods fair (ILGF), Kolkata held during March 27-29, 2014.

30. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report has separately been appended herewith and form part of this Report Annexure-VII.

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 your directors furnish the information as below:

Conservation of Energy:	The Company's activities do not involve continuous consumption of energy. However necessary conservation measures to the maximum extent already implemented like limited use of lights, fans, air conditioners etc.
Technology Absorption:	The Company has not absorbed any technology from any source.
Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	The Company is taking every necessary step to increase the Export Activities of the Country, being the Trade Promotion Organization.

Foreign Exchange Earnings And Outgo	Current Year (2013-14) (Rs.)	Previous Year (2012-13) (Rs.)
Inflow	10,91,42,257	14,22,36,534
Outflow	15,01,44,554	16,20,96,157

32. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of the Companies Act, 1956, the Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

- I. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. That the Directors have selected such accounting policies and applied them consistently and made estimates that are reasonable and prudent so as to give a true and fair view of the financial year and of income over expenditure of the Company for that period;
- III. That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the Directors have prepared the annual accounts on a going concern basis.

33. ACKNOWLEDGEMENTS

We are thankful to the Central Government Ministries and Departments, particularly the Ministry of Commerce and Industry, Ministry of Urban Development, Ministry of External Affairs, including the Indian Missions for their continued guidance and assistance. The Directors are also grateful to the Delhi Development Authority, State Governments, Public Sector Enterprises, Central Public Works Department, Municipal Corporation of Delhi, Delhi Police, Mahanagar Telephone Nigam Limited and other agencies and individuals for their willing co-operation extended to ITPO. The Board of Directors is also grateful to the Comptroller and Auditor General of India, Department of Public Enterprises and Ministry of Corporate Affairs for their valuable co-operation.

For and on behalf of the Board of Directors

Sd/-

(Rita Menon)

Chairperson and Managing Director
DIN No. 00543058

Place: New Delhi

Date: 25th August, 2014



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Annexure-I

STATEMENT PERSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Tamilnadu Trade Promotion Organisation	Karnataka Trade Promotion Organisation
1. Financial Year of the Subsidiary ended on	March 31, 2014	March 31, 2014
2. (a) Issued, Subscribed and Paid up Capital of the Subsidiary Company	100 Equity Shares of Rs. 1,000/- each	5,000 Equity Shares of Rs. 1,000/- each
(b) Extent of interest of ITPO in Capital of the Subsidiary	51 Equity Shares of Rs. 1,000/- each (51%)	2,550 Equity Shares of Rs. 1,000/- each (51%)
3. Net aggregate amount of surplus/deficit of the Subsidiary so far as it concerns the Members of ITPO and is not dealt with in the accounts of ITPO		
(a) The Financial Year ended March 31, 2014	Rs. 1,401.56 Lakhs.	Rs. 236.72 lakhs
(b) Cumulative upto the previous financial year ended 31.3.2013 of the Subsidiary Company since it became subsidiary of ITPO	Rs. 4,570.67 Lakhs. However, being a Section 25 Company, it is prohibited from declaring any dividend.	Rs. 743.57 lakhs However, being a section 25 Company, it is prohibited from declaring any dividend.
4. Net aggregate amount of surplus/deficit of the Subsidiary so far as dealt with the provisions made for those losses in the Accounts of ITPO		
(a) The Financial Year ended March 31, 2014.	Nil	Nil
(b) Cumulative upto the previous financial year ended 31.3.2013 of the subsidiary company since it became subsidiary of ITPO	Nil	Nil

Sd/-
(S.R. Sahoo)
Company Secretary

Sd/-
(R.K. Singh)
General Manager
Chief Financial Officer

Sd/-
(Malay Shrivastava)
Executive Director

Sd/-
(Rita Menon)
Chairperson & Managing Director

Place : New Delhi
Date : 25th August, 2014

INDEPENDENT AUDITOR'S REPORT

To The Member of India Trade Promotion Organisation, New Delhi

Report on the Financial Statements

We have audited the accompanying financial statement of India Trade Promotion Organisation, ("The Company"), which comprise of the Balance Sheet as at 31st March 2014 and the Statement of Income and Expenditure and Cash Flow Statement for the year the ended and a summary of significant accounting policies and Notes to Financial Statements.

Management's Responsibility for the Financial Statement

The Mangaement is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accodance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the finacial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Audition issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

MANAGEMENT REPLY



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's preparation and fair presentations of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As per the Notes to the financial statements:

a) making provision of Rs. 3.37 crore during the year (cumulative up to 31.03.2014 Rs. 27.27 crore) for Performance Related Pay (PRP) and releasing payments amounting to Rs. 11.75 crore up to 31.03.2014 without approval of the scheme by the Company Note 9;

b) non-adjustment and non-recognition of discrepancies on physical verification of fixed assets, amount indeterminate - Note 10.2;

Factual Statement. Note No.9 of Notes to Financial Statements refers.

The reconciliation of discrepancies reported in the physical verification report and book balances has since been carried out. Action is in hand to account for the shortages/excesses. Note No 10.2 of Notes to Financial Statements also refers.

c) non-provision of the quantified liability of Income-tax for Rs. 86.06 crore, Rs. 36.76 crore and Rs. 33.08 crore for the Assessment years 2009-10, 2010-11 & 2011-12 respectively and unquantified Income tax liabilities for the subsequent assessment year viz 2012-13, 2013-14 & 2014-15 and also unquantified liability for interest and penalties, if any, for all these assessment years and showing the withheld amounts of refunds and payments amounting to Rs. 52.29 crore as asset, included under the head "Income tax/TDS recoverable" as on 31.03.2014, when the Income Tax Department has adjusted them against the demands - Note 31; and

d) Non-provision of Service-Tax demand-cum-show cause notices for Rs. 26.82 crore and unquantified interest and penalties, if any, amount there of indeterminate, Note 32;

e) Certain amounts due to / from various parties are subject to confirmation, reconciliation and adjustment-amount indeterminate- Note 33;

resulting in overstatement of income for the year by Rs. 179.35 crore to the extent quantified with corresponding understatement of current liabilities and provisions by equal amount on 31.03.2014 together with further consequential indeterminate impact of paras b), c), d) and e) above and further showing assets in excess by Rs. 52.29 crore para c).

Qualified Opinion

In our opinion and to the best of our information and according to the explanation given to us, except for the effect of the matter described in the basis for qualified opinion paragraph above, the financial statements give the information required by the Act in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

Factual Statement. Note No 31 of Notes to Financial Statements refers.

Factual Statement. Note No. 32 Notes to Financial Statements refers.

Factual statement. Note No. 33 of Notes to Financial Statements refers.



a) in the case of the Balaced Sheet, of the state of affairs of the Company, as at March 31, 2014;

b) in the case of the Income and Expenditure Account, of the income of the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The comments on matters as required by the Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, are not being given as the same is not applicable to companies licensed to operate under Section 25 of the Companies Act, 1956.

2. As required by section 227(3) of the Act, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of accounts, as required by law have been kept by the Company so far as it appears from our examination of the books of accounts of the Company and its regional offices;

d) except for the effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Income and Expenditure and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 2011 of the Act;

e) the Circular No. 2/5/2001 - CLV-General Circular No. 8/2002 dated 22.03.2002, issued by the Department of Company Affairs under Ministry of Law, Justice and Company Affairs, the provision of section 274 (1)(g) of the Companies Act, 1956, relating to disqualification of the Directors are not applicable to the Company, being a Government Company.

For Kishore and Kishore
Chartered Accountants
FRN 000291 N

Sd/-
(Anshu Gupta)
Partner
M.No. 077891

Place : New Delhi
Date : 25/08/2014



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Annexure-III

COMMENTS OF THE CAG OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF INDIA TRADE PROMOTION ORGANISATION FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of India Trade Promotion Organisation for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India, under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 August 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of India Trade Promotion Organisation for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619 (4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller and Auditor General of India**

Sd/-
(Vimalendra Patwardhan)
**Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I, New Delhi.**

Place : New Delhi
Dated: 19th September 2014

REPORT ON CORPORATE GOVERNANCE**1. THE COMPANY'S GOVERNANCE PHILOSOPHY**

India Trade Promotion Organization (ITPO), the premier trade promotion agency of the Ministry of Commerce & Industry, Government of India is committed to showcase excellence achieved by the country in diverse fields especially trade, commerce and governance.

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in the Company. It is a system by which business corporations are directed and controlled.

ITPO is fully committed towards good corporate governance entail trusteeship, empowerment and accountability of the management while remaining proactive to the Government policies. ITPO's Governance process is focused towards its mission of "wide spectrum of services to trade and industry and acting as a catalyst for growth of India's trade." The company follows guidelines on Corporate Governance issued by the Department of Public Enterprises.

The main activities and services of ITPO are:

- To promote, organize and participate in industrial trade through fairs and exhibitions in India and abroad and to take all measures incidental thereto for boosting up countries' trade
- To publicise in India and abroad international trade fairs and exhibitions to be held in India and mobilize the foreign participants to participate in them.
- To organize trade in commodities connected with or relating to such fairs, exhibitions in India and abroad.
- To promote exports and to explore new markets for traditional items of exports and develop export of new items with a view to maintaining, diversifying and expanding the export trade.
- To support and assist small and medium enterprise to access market – both in India and abroad.
- To prepare and update trade related database for dissemination among trade and industry in India.
- Organizing seminars, conferences and workshops on trade related issues.
- To lease out its exhibition halls and facilities to other organizers for holding trade related events.

The compliance of the company with DPE's Guidelines on Corporate Governance and the disclosure requirements under Companies Act, 1956 in that regard are given below:

2. BOARD OF DIRECTORS**2.1 Size of the Board**

ITPO is a charitable organization within the meaning of Section 25 of the Companies Act, 1956 and the President of India presently holds 99.98% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors rests with the President of India. In terms of Articles of Association of the Company, the strength of our Board shall not be less than four Directors or more than twelve Directors.

2.2 Composition of the Board

As on 31st March, 2014 the Board Comprised of 9 Directors, 2 are Functional Directors including the Chairperson and Managing Director, 4 are Nominee Directors of Government of India and 3 Independent Directors.

Smt. Rita Menon has taken over as Chairperson and Managing Director of ITPO w.e.f. 3rd January, 2012.

2.3 Board Meeting and Attendance

The meetings of the Board of Directors are normally



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held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all information of the Company. Senior management is also invited to the Board meetings to provide additional input to the items being discussed by the Board, as and when required.

During the financial year ended 31st March, 2014,

7 Board Meetings were held on 23rd April, 2013, 25th June, 2013, 23rd August, 2013, 24th September, 2013, 23rd October, 2013, 13th December, 2013 and 12th March, 2014, respectively.

Details of number of Board Meeting attended by Directors, attendance at last Annual General Meeting (AGM), Number of other Directorships in (Body Corporates) (other than ITPO), held by Directors during the financial year 2013-14 are tabled below:

Sl. No.	Name of Director	Board Meetings		Attendance at last AGM held on (23rd October, 2013)	As on March 31, 2014 (No. of other Director-ship)
		Held during the tenure	Attendance		
1	Smt. Rita Menon	7	7	Yes	2 (KTPO, TNTPO)
2.	Shri Malay Shrivastava	7	7	Yes	3 (KTPO, TNTPO, WBTPPO)
3	Smt. Anita Agnihotri	6	4	No	4 (MMTC, STC, Jute Corpn of India, BIC Ltd.)
4	Shri J.S. Deepak	7	3	No	3 (IIFT, STC, National Council of Institute of Chartered Accountant of India)
5.	Shri C.K. Mishra (upto 23.9.2013)	4	-	No	2 (NSIC, DSIIDC)
6.	Shri Prabhat Kumar	7	6	Yes	1 (IIFT)
7.	Shri S. N. Tripathi (w.e.f. 23.9.2013)	3	2	No	3 (NSIC, DSIIDC, GITA)
8.	Shri Abhijit Basu	7	7	Yes	-
9.	Shri S.M. Lodha	7	5	Yes	6 (SJVN, Indsur Gears Ltd, Indsur Global Ltd, Crystal Palace Properties Pvt. Ltd., Indsur Stelcor Services Pvt. Ltd., Eastern Coalfields Ltd.)
10.	Shri D.S. Rawat	7	3	No	1 (ASSOCHAM)

2.4 Information required to be placed before the Board of Directors:

The Board has complete access to any information with the Company. The information regularly supplied to the Board includes:

1. Annual operating plans and budgets and any updates.

2. Annual Accounts, Director's Report, etc.

3. Minutes of meetings of audit committee and other committees of the Board.

4. Major Investments, information of Subsidiaries and Joint Ventures, Strategic Alliances, etc.

5. Award of large Contracts.

6. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
7. Report on the status of various ongoing projects/Schemes and Budget Utilization.
8. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, etc.
9. Non-compliance of any regulatory, statutory and shareholders' service.
10. Short-term investment of surplus funds.
11. Other materially important information

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following Committees:

i) Audit Committee

ii) Remuneration Committee

3.1 Composition of Audit Committee, Meetings held and Attendance of Audit Committee during the year 2013-14

India Trade Promotion Organization has complied with the Guidelines issued by the Department of Public Enterprises on Corporate Governance in May 2010. Consequent upon the appointment of 3 Independent Directors on the Board, Audit Committee has been reconstituted as per DPE Guidelines. Five Audit Committee Meetings were held on 25th June, 2013, 23rd August, 2013, 24th September, 2013, 13th December, 2013 and 12th March, 2014 respectively.

Sl No .	Name of Committee Members	Designation	Position in Committee	Meetings	
				Held during the tenure	Held during the tenure
1	Abhijit Basu	Independent Director	Chairman	5	5
2.	Anita Agnihotri (Upto 4.6.2014)	Part Time official Director	Member	5	3
3.	Malay Shrivastava	Functional Director	Member	5	3
4.	S.M. Lodha	Independent Director	Member	4	3
5.	D.S. Rawat	Independent Director	Member	5	5
6.	B.P. Pandey (w.e.f.4.6.2014)	Part Time Official Director	Member	-	-

3.2 Composition of Remuneration Committee, Meeting of and attendance in Remuneration Committee during the year 2013-2014 .

India Trade Promotion Organization has complied

with the Guidelines issued by the Department of Public Enterprises on Corporate Governance in May 2010. Consequent upon the appointment of 3 Independent Directors on the Board, Remuneration Committee has been constituted as per DPE Guidelines:

Sl No .	Name of Committee Members	Designation	Position in Remuneration Committee
1	Abhijit Basu	Independent Director	Chairman
2.	S.M. Lodha	Independent Director	Member
3.	Anita Agnihotri	Official Director	Member
4.	J.S. Deepak	Official Director	Member
5.	C.K. Mishra	Official Director	Member

During the Year 2013-14 no meeting of the Remuneration Committee was held.



4. REMUNERATION OF DIRECTORS

The remuneration of CMD & ED is as per the terms of appointment issued by Govt. of India and rules applicable thereof. The Company pays Sitting Fee of Rs.10,000/- per meeting, to each part-time Independent Director who attends any Board

Meeting or Meeting of any Sub-Committee of the Board. However, no remuneration is paid to the part-time Government Nominee Director.

5. GENERAL BODY MEETING.

Date, time and location where the last three Annual General Meetings were held, are as under.

Year	Date	Time	Venue	Special Resolution
2010-11	09-11-2011	11.30 AM	Pragati Bhawan, Pragati Maidan, New Delhi – 110 001.	Nil
2011-12	21-11-2012	4.00 PM	Pragati Bhawan, Pragati Maidan, New Delhi – 110 001.	Yes - One
2012-13	23-10-2013	12.00 Noon	Pragati Bhawan Pragati Maidan New Delhi- 110 001	Nil

6. DISCLOSURES

- (I) The transactions with related parties contained (i) payment to companies under Joint Venture Agreements and on account of contracts for works/services; (ii) remuneration to key management personnel; and (iii) equity contribution to subsidiaries, which are not in the nature of potential conflict of interest of the Company at large. Details of related party transactions are included in the Notes to the Accounts as per Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and notified by the Central Government in consultation with National Advisory Committee on Accounting Standards.
- (II) ITPO is complying with the applicable accounting standards. Only after review of financial statements by Statutory Auditors and CAG, the financial statements are passed by the Board.
- (III) There are no penalties or strictures imposed on the Company by statutory authority on any matter related to any guidelines issued by the Government during the last three years except penalty imposed by CCI, which is being contested.

- (IV) With respect to Whistle Blower Policy, the Policy has been formulated and implemented after approval of the Competent Authority.
- (V) Board and Senior Management of ITPO have no personal interest, which have a potential conflict with the interest of the Company.
- (VI) A Comprehensive Risk Management Policy, as per DPE Guidelines, was approved by the Board on 26-03-2013 and has since been implemented.
- (VII) No item of expenditure was debited in the Books of Accounts which was not for the purpose of the organization.
- (VIII) No expenses of personal nature of the Members of the Board of Directors were incurred out of the funds of the Company.

7. MEANS OF COMMUNICATION

The Company is an unlisted, private Section 25 company and, therefore, the need to communicate its quarterly or half-yearly results does not arise.

8. AUDIT QUALIFICATION

The audit observations/comments, if any, and replies, thereto, of the management for the financial year 2013-14 will be part of the Annual Report.

9. TRAINING OF BOARD OF DIRECTORS

The Faculty from the Institute of Directors, New Delhi conducted the first session of training of Directors on the Board of ITPO on 25th June, 2013. This was followed by another session on the 23rd of August, 2013.

10. WHISTLE BLOWER POLICY

ITPO has formulated its own Whistle Blower Policy and the same has been implemented with the approval of the Competent Authority.

11. CORPORATE SOCIAL RESPONSIBILITY

ITPO has constituted CSR Committee as per the DPE guidelines which reviews the CSR activities.

Under the CSR initiative for the year 2013-14 ITPO in consultation with the Department of Social Welfare, Government of NCT of Delhi, has provided 700 Nos. of Geriatric Bed Mattresses, 2 Nos. each of Roti Making Machine and Dough Kneading Machine to Asha Kiran Home for Mentally Retarded, Rohini; 1 No. each of Roti Making Machine and Dough Kneading Machine to Home for Leprosy Effectuated Beggars at Tahirpur; and 60 Nos. Geriatric Bed Mattresses to Old Age Home, Bindapur. ITPO also provided CSR support to small artisans of leather products in the form of free space to display their products in the 19th International Leather Goods Fair (ILGF), Kolkata held during March 27-29, 2014.



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Annexure-V

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
India Trade Promotion Organisation
New Delhi

We have examined the compliance of guidelines on Corporate Governance by **India Trade Promotion Organisation** for the year ended on 31st March, 2014 as stipulated in Notification No. 18(8)/2005-GM, dated 14th May 2010, issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India for Corporate Governance.

The compliance of guidelines on Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the guidelines on Corporate Governance as stipulated in the DPE Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency and effectiveness with which the management has conducted the affairs of the Company.

For Rajesh Mittal & Associates
Company Secretaries

Sd/-
Dr. Rajesh Mittal
(Membership No. AVS 13275, CP 3254)

Place:- Delhi
Date : 13.08.2014

INDIA TRADE PROMOTION ORGANISATION

(A Govt. of India Enterprise)

Pragati Bhawan, Pragati Maidan, New Delhi-110 001

Tele : 011-23371540, 23371491, Fax : 011-23371492

E-mail : info@itpo.gov.in; Website : www.indiatradefair.com

Annexure-VI

DECLARATION

As per DPE guidelines on Corporate Governance for CPSE's this is to confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of conduct of the Company for the Financial Year 2013-14.

Sd/-
(Rita Menon)
Chairperson and Managing Director

Place: New Delhi
Dated : 8th August, 2014



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Annexure-VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure, vision and mission

India Trade Promotion Organisation (ITPO) is the premier trade promotion agency of India, provides a broad spectrum of services to trade and industry and acts as a catalyst for growth of India's trade. The main objectives of ITPO are :

- To promote external and domestic trade of India in cost effective manner by organizing and participating in international trade fairs in India and abroad; organizing buyer-seller meets and contact promotion programmes abroad; conducting overseas market surveys, exchanging and coordinating visits of business delegations, and undertaking need based research to facilitate trade in specific sectors/markets;
- To support and assist small and medium enterprises to access markets both in India and abroad;
- To disseminate trade information and facilitate E-commerce/trade;
- To develop quality physical infrastructure, services and management so as to enable holding of trade promotion events such as conventions and trade exhibitions of international standard; and
- To enlist the involvement and support of the State Governments, other government trade promotion agencies, trade and industry associations in trade promotion of India's external and domestic trade.

With its Headquarters at Pragati Maidan, New Delhi and regional offices at Bangalore, Chennai, Kolkata and Mumbai, ITPO ensures representative participation of trade and industry from different regions of the country in its events in India and abroad.

Vision

To be a leader amongst world class trade promotion organizations, leveraging India's strengths internationally. Rapid growth in India's share of global trade and investments, quality of our services and customer satisfaction will be the touchstone of our success.

Mission

To promote, facilitate, encourage and coordinate various activities and programmes to enhance India's share of export through trade in goods.

As per the Memorandum & Articles of Association the Company is registered under Section 25 of the Companies Act, 1956, no dividend is payable. Therefore, the excess of income over expenditure has been carried forward to the Reserve and Surplus Account for the utilization of the same in furtherance of its objectives.

The operations of the Company for the period ended on 31st March, 2014, have yielded a surplus of Rs180.01 crores as against Rs.152.29 crores for the fiscal year 2012-13. The total income generated during 2013-14 is Rs. 351.86 crores as compared to Rs.336.58 crores during 2012.

SWOT

ITPO has its own exhibition ground at prime location having State of the art Exhibition Halls and Covered Exhibition Space upto 65,000 sq.mtrs and Open Display Area of 12,000 sq.mtrs. International Business Lounge and Protocol facilities. A team of Professional and experienced Officers of various disciplines like Engineering, Architect, Design, Fairs, etc. for organizing B2B and B2C fairs/exhibitions on national/international standards. 40 years experience in industry with rich exposure in various trends, requirements. Wide network with Ministries like MEA, etc. and the only Govt. PSU with back up of various Govt. agencies / departments, provides confidence among the participants. Best Security / housekeeping / planned traffic control system / turn-key facilities. Since the infrastructure is age-old, the same requires upgradation with modern facilities and requirements. Multi use limitations for use of ground Restriction by govt. policies and to adhere the objective of Section 25 company not to maximize the profit only Since economy is growing, more exhibitions and fairs are expected. New areas has opened up Competition from private organisers and substantial change in Government Policies

Future Outlook

Your company has played a pioneering role in national trade growth dynamics since its inception. One of the main objects of the organization is to promote, organize and participate in industrial trade and other fairs and exhibitions in India. Pragati Maidan facility is a key facilitator towards meeting this object and the convention and exhibition centre at Pragati Maidan are intended to support the national trade promotion objective and to support NCR in becoming a globally competitive MICE (Meetings Incentives Conventions & Exhibitions) destination. In order to achieve this, it requires an improved capacity and state-of-the-art facilities.

The Company envisages to re-develop Pragati Maidan into a State-of-the-Art Integrated Exhibition-cum-Convention Centre in a phased manner.

Internal control systems and their adequacy

Internal controls are continually evaluated by Management and Internal Auditors. Findings from internal audits are reviewed regularly by the Management and corrective actions and control measures to maintain proper accounting, monitoring of various operations are followed wherever required.

Material developments in human resources, industrial relations

Your company being in the service industry believes that human resources are the critical assets. The company recognizes the talents of the employees duly and encourages sharing of knowledge between experienced manpower and young group. Company provides various skill development training to its employees in-house and outside trainings also in nominating for various works of seminars etc.

Environmental protection and conservation, technological conservation, renewable energy development

Your company is a non-manufacturing company, however ITPO is very much concerned about the environment and conservation of energy resources like water, power etc. Due care is being taken in the Exhibition Ground in Pragati Maidan in respect of environmental protection and conservation of energy. Use of Energy Efficient LED/ CFL lamps in Stalls.



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Risk Management

The company has taken all required steps to implement the Risk Management by way of insurance policies and adequate steps to meet various risks.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. ITPO is a section 25 company, operating not for profit and with an objective to promote external and domestic trade of India by organizing and participating in international trade fairs in India and abroad, to support and assist small and medium enterprises, to assess markets both in India and abroad and to engage in the activities in the promotion of India's external and domestic trade. Being a section 25 company, ITPO does not operate in pure commercialization and profit motive. The activities of ITPO substantially involve in promoting, supporting and helping micro, small and medium enterprises and associations and clusters of marginalized artisans, weavers, etc. to promote their products for their livelihood/progress. Even then ITPO voluntarily takes CSR initiatives for the weaker sections of the society as per the DPE guidelines and ITPO Policy.

Statements in this Management Analysis and Discussion Report describing the Company's performance may be forward looking within the meaning of applicable laws and regulations. Depending upon the various Government policies and the prevailing economic conditions, results may differ from those expressed or implied herein.



Award Ceremony at INSPIRE- 2013



INDIA INTERNATIONAL PRINTING & PACKAGING FAIR

Accounts



India Trade
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BALANCE SHEET AS AT 31st MARCH, 2014

(All amounts in Rs.)

Particulars	Notes	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	25,00,000	25,00,000
(b) Reserves & Surplus	4	12,92,67,72,855	11,12,66,50,352
		12,92,92,72,855	11,12,91,50,352
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	5	5,53,37,404	3,54,67,194
(b) Long-Term Provisions	6	13,92,54,279	51,96,41,939
		19,45,91,683	55,51,09,133
(3) Current Liabilities			
(a) Trade Payables	7	12,61,85,606	13,03,06,531
(b) Other Current Liabilities	8	62,98,14,631	66,84,55,179
(c) Short-Term Provisions	9	32,83,73,844	31,37,66,924
		1,08,43,74,081	1,11,25,28,634
Total		14,20,82,38,619	12,79,67,88,119
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		52,11,59,415	54,56,92,339
(ii) Intangible Assets		12,66,871	25,33,742
(iii) Capital Work in Progress		5,45,13,955	5,41,98,747
(iv) Intangible Assets under Development		62,00,000	62,00,000
		58,31,40,241	60,86,24,828
(b) Non-Current Investments	11	12,20,51,250	12,20,51,250
(c) Long-Term Loans and Advances	12	15,33,03,761	14,55,54,821
(d) Other Non-Current Assets	13	3,51,06,361	3,75,34,195
		31,04,61,372	30,51,40,266
(2) Current Assets			
(a) Current Investments	14	24,01,212	24,01,212
(b) Trade Receivables	15	8,49,04,521	9,12,51,633
(c) Cash and Bank Balances	16	10,71,24,20,389	9,72,17,51,959
(d) Short-term Loans and Advances	17	2,00,23,93,863	1,61,23,65,886
(e) Other Current Assets	18	51,25,17,021	45,52,52,335
		13,31,46,37,006	11,88,30,23,025
Total		14,20,82,38,619	12,79,67,88,119

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

Sd/-
(S.R. Sahoo)
Company Secretary

Sd/-
(R.K. Singh)
Chief Financial
Officer - Ex officio

Sd/-
(Malay Shrivastava)
Executive Director

Sd/-
(Rita Menon)
Chairperson & Managing Director

As per our report annexed
For Kishore & Kishore
Chartered Accountants

Sd/-
(Anshu Gupta)
Partner
M. No. 077891
FRN - 000291N

Place : New Delhi
Dated : 25/08/2014



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STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31st MARCH, 2014

(All amounts in Rs.)

	Particulars	Notes	For the year ended 31.03.2014	For the year ended 31.03.2013
I	Income			
	Revenue from Operations	19	2,27,35,64,668	2,22,55,00,714
	Other Income	20	1,21,43,99,812	1,11,08,89,664
	Total Income		3,48,79,64,480	3,33,63,90,378
II	Expenses			
	Employee Benefits Expenses	21	92,90,84,564	98,86,32,949
	Depreciation and Amortization Expenses	22	5,26,47,320	4,71,94,129
	Other Expenses	23	73,01,86,793	80,70,78,868
	Total Expenses		1,71,19,18,677	1,84,29,05,946
III	Excess of Income over Expenditure before Exceptional, Prior Period, Extraordinary Items and Tax		1,77,60,45,803	1,49,34,84,432
	Prior Period Adjustments (Net)	24	(65,91,212)	10,40,573
	Exceptional Items	25	3,06,67,912	2,84,14,046
IV	Excess of Income over Expenditure before tax		1,80,01,22,503	1,52,29,39,051
V	Tax Expenses	31	-	-
VI	Excess of Income over Expenditure for the period		1,80,01,22,503	1,52,29,39,051
VII	Earnings per equity share of Rs.100 each	26		
	(1) Basic		72,005	60,918
	(2) Diluted		72,005	60,918

Significant accounting policies 2
The accompanying notes are an integral part of the financial statements.

Sd/-
(S.R. Sahoo)
Company Secretary

Sd/-
(R.K. Singh)
Chief Financial
Officer - Ex officio

Sd/-
(Malay Shrivastava)
Executive Director

Sd/-
(Rita Menon)
Chairperson & Managing Director

As per our report annexed
For Kishore & Kishore
Chartered Accountants
Sd/-
(Anshu Gupta)
Partner
M. No. 077891
FRN - 000291N

Place : New Delhi
Dated : 25/08/2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(All amounts in Rs.)

	Particulars	For the year ended 31 st March 2014		For the year ended 31 st March 2013	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Excess of income over expenditure before Tax and Extraordinary Items		1,80,01,22,503		1,52,29,39,051
	Adjustments For:				
	Depreciation and Amortisation Expenses	5,91,83,172		4,71,94,129	
	Profit on Sale of Fixed Assets	(61,212)		(97,388)	
	Interest & Dividend Income	(1,03,59,68,706)		(96,48,00,069)	
	Provisions	2,39,816		5,27,56,037	
	Provisions/Liabilities No Longer Required	(3,06,67,912)		(2,84,14,046)	
	Assets Written Off	9,962	(1,00,72,64,880)	-	(89,33,61,337)
			79,28,57,623		62,95,77,714
	Operating Profit before working capital changes				
	Increase/Decrease in Other Long Term Liabilities	1,98,70,210		(1,46,41,325)	
	Increase/Decrease in Long Term Provisions	(38,03,87,660)		3,75,27,385	
	Increase/Decrease in Trade Payables	(41,20,925)		(2,51,70,952)	
	Increase/Decrease in Other Current Liabilities	(3,86,40,548)		8,41,50,830	
	Increase/Decrease in Short Term Provisions	1,46,06,920		4,23,29,847	
	Increase/Decrease in Long Term Loans & Advances	(77,48,940)		2,41,46,005	
	Increase/Decrease in Other Non-Current Assets	24,27,834		30,34,188	
	Increase/Decrease in Trade Receivables	63,47,112		1,93,28,426	
	Increase/Decrease in Short Term Loans & Advances	(39,02,67,793)		(30,03,70,053)	
	Increase/Decrease in Other Current Assets	(5,72,64,686)		(38,63,614)	
	Provisions/Liabilities No Longer Required	3,06,67,912	(80,45,10,564)	2,84,14,046	(10,51,15,217)
	Net cash from Operating Activities [A]		(1,16,52,941)		52,44,62,497
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	(3,38,19,492)		(6,81,85,212)	
	Sale of Fixed Assets	1,72,157		8,55,497	
	Investments & Intercompany Deposits	-		(1,76,945)	
	Interest & Dividend Income	1,03,59,68,706		96,48,00,069	
	Net cash from Investing Activities [B]		1,00,23,21,371		89,72,93,409
C	CASH FLOW FROM FINANCING ACTIVITIES [C]				
	Net Increase / Decrease in Cash and Cash equivalents [A+B+C]		NIL		NIL
	Cash and Cash equivalents at the beginning of the year		99,06,68,430		1,42,17,55,906
	Cash and Cash equivalents at the end of the year		9,72,17,51,959		8,29,99,96,053
	Components of Cash and Cash Equivalents		10,71,24,20,389		9,72,17,51,959
	At the end of the year				
	Cash in Hand and Cash Equivalents		11,14,057		10,47,659
	Balance with Banks - in Current & Saving Accounts		64,13,06,332		36,07,16,301
	Balance with Banks - in Deposit Accounts		10,07,00,00,000		9,35,99,87,999
			10,71,24,20,389		9,72,17,51,959

Note:- 1. Figures for previous year have been regrouped wherever considered necessary.
2. 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.

Sd/-
(S.R. Sahoo)
Company Secretary

Sd/-
(R.K. Singh)
Chief Financial
Officer - Ex officio

Sd/-
(Malay Shrivastava)
Executive Director

Sd/-
(Rita Menon)
Chairperson & Managing Director

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of India Trade Promotion Organisation for the year ended 31st March, 2014. The Statement has been prepared in accordance with the requirements of Accounting Standard - 3 issued by the Institute of Chartered Accountants of India and is based on and in agreement with the Balance Sheet and Income & Expenditure Account of the Company covered by our Report of August 25th, 2014 to the members of the Company.

As per our report annexed
For Kishore & Kishore
Chartered Accountants
Sd/-
(Anshu Gupta)
Partner
M. No. 077891
FRN - 000291N



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.

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

- 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.

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.



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

- 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	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 31.03.2014	
	No. of Shares	(Rs.)
Equity Shares:		
At the beginning of the period	25,000	25,00,000
Issued during the year	-	-
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 31.03.2014	
	No. of shares	% age
Equity Shares of Rs. 100 each fully paid		
Government of India	25,000	100

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

4 RESERVES AND SURPLUS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (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	-	-
-Adjustments/deductions	-	-
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	-	-
-Adjustments/deductions	-	-
Closing Balance	71,21,985	71,21,985
Surplus/ deficit as per Income and Expenditure Account		
Balance as per the last financial statement	10,49,04,44,749	8,96,75,05,698
Add: Surplus for the year	1,80,01,22,503	1,52,29,39,051
Closing Balance	12,29,05,67,252	10,49,04,44,749
	12,92,67,72,855	11,12,66,50,352

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 (Rs.)	As at 31.03.2013 (Rs.)
Others		
Income Received in Advance	5,53,37,404	3,54,67,194
	5,53,37,404	3,54,67,194

6 LONG TERM PROVISIONS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Provision for Employees' Benefits (Refer Note 34)		
-Gratuity	-	36,26,00,882
-Leave Enchashment	13,92,54,279	15,70,41,057
	13,92,54,279	51,96,41,939



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 #	12,61,85,606	13,03,06,531
	12,61,85,606	13,03,06,531

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	28,14,48,642	27,88,36,916
Security Deposits	3,29,27,195	3,44,45,362
Advance Payments and Deposits	23,78,01,695	20,73,16,262
Employees' Benefits Payable	3,46,19,047	4,80,67,303
Statutory Dues	1,42,10,622	2,85,06,255
Other Payables	2,88,07,430	7,12,83,081
	62,98,14,631	66,84,55,179

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)	2,32,11,870	4,15,14,201
- Leave Enchashment (Refer Note 34)	1,92,32,708	2,00,23,457
- Performance Related Pay #	27,26,93,046	23,89,93,046
(b) Others		
- Provision for Refund of Contingency Charges	1,32,36,220	1,32,36,220
	32,83,73,844	31,37,66,924

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.11,74,67,834 (Previous Year Rs. 10,27,33,416) 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.)

10. FIXED ASSETS

Particulars of Assets	Rate of Depreciation (%)	GROSS BLOCK AT COST			
		As at 31.03.2013	Additions during the Year	Deductions / Adjustment	As at 31.03.2014
(A) TANGIBLE ASSETS					
LAND (ON PERPETUAL LEASE)		74,66,715		4,08,813	78,75,528
PRAGATI MAIDAN COMPLEX (LEASE HOLD)		1			1
BUILDINGS (ON LEASE HOLD LAND)					
A CLASS	2.50%	32,59,96,484			32,59,96,484
B CLASS	5.00%	1,95,69,786			1,95,69,786
C CLASS	10.00%	1,32,09,151			1,32,09,151
ANARKALI FOOD PLAZA		1			1
RESIDENTIAL / OFFICE FLATS	2.50%				
(i) FREE HOLD		2,19,96,018			2,19,96,018
(ii) ON PERPETUAL LEASE		36,46,551		2,55,520	39,02,071
WATER SUPPLY & DRAINAGE	10.00%	21,41,705			21,41,705
ELECTRIC INSTALLATIONS/ FITTINGS	10.00%	13,40,31,370			13,40,31,370
AIR CONDITIONING PLANTS	12.50%	65,57,650			65,57,650
AIR CONDITIONING PLANTS	6.67%	28,70,05,541		-60,75,235	28,09,30,306
AIR CONDITIONING/ AIR VENTILATION PLANTS	10.00%	62,47,197			62,47,197
FURNITURE & FIXTURE	10.00%	2,35,34,244	6,19,792	-4,10,529	2,37,43,507
VEHICLES	20.00%	2,27,41,790		-9,16,736	2,18,25,054
AUDIO VISUAL EQUIPMENTS	20.00%	80,01,249	3,42,54,933	-20,160	4,22,36,022
AUDIO VISUAL EQUIPMENTS	22.50%	5,91,262			5,91,262
FIRE HYDRANT & FIRE FIGHTING SYSTEMS	10.00%	3,45,48,235			3,45,48,235
OFFICE EQUIPMENTS / OTHER					
MISCELLANEOUS ASSETS	12.50%	6,42,30,367	21,00,496	-9,03,419	6,54,27,444
COMPUTERS / DATA PROCESSORS	17.10%	8,35,45,776	19,39,965	-4,08,920	8,50,76,821
T O T A L		1,06,50,61,093	3,89,15,186	-80,70,666	1,09,59,05,613
(B) INTANGIBLE ASSETS					
COMPUTER SOFTWARES		45,39,050			45,39,050
(C) CAPITAL WORK IN PROGRESS		5,41,98,747	3,15,208		5,45,13,955
(D) INTANGIBLE ASSETS UNDER DEVELOPMENT		62,00,000			62,00,000
GRAND TOTAL		1,12,99,98,890	3,92,30,394	-80,70,666	1,16,11,58,618
PREVIOUS YEAR FIGURES		(1,07,78,63,029)	(7,27,74,248)	(-2,06,38,387)	(1,12,99,98,890)

* Includes Rs. 65,35,852/- pertaining to Prior Period.

1. Depreciation includes Rs. 1,40,926 (Rs. 36,952) in respect of each asset costing Rs 5,000 or less, depreciated at the rate of 100%.
2. The Physical Verification of Fixed Assets is carried out once in a Span of 2 Years. The last Physical Verification of Fixed Assets as on 31.03.2013 was conducted by a Professional Firm. The Report of the same was received in July 2013. The reconciliation in respect of discrepancies reported in the Physical Verification report and book balances has been carried out. The process of accountal of shortages / excesses is in hand.
3. Based on a study carried out by a Professional Firm, no case of impairment of assets exists as at 31st March, 2014 under the provisions of Accounting Standard - 28 on impairment of assets.
4. The assets costing Rs. 9,14,166 (depreciated value Rs. 44,085) were auctioned during the year along with unserviceable materials as the sale price of the individual items of assets sold is not ascertainable, the value assessed by the valuer has been taken as the sale price of the assets sold.

(All amounts in Rs.)

D E P R E C I A T I O N				NET BLOCK	NET BLOCK
Upto 31.03.2013	Deduction / Adjustment	For the year	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
				78,75,528 1	74,66,715 1
15,13,28,435		78,56,700	15,91,85,135	16,68,11,349	17,46,68,049
1,05,41,568		8,39,752	1,13,81,320	81,88,466	90,28,218
52,03,160		9,66,133	61,69,293	70,39,858 1	80,05,991 1
59,70,802		5,22,404	64,93,206	1,55,02,812	1,60,25,216
25,11,549		2,68,663	27,80,212	11,21,859	11,35,002
20,34,624			20,34,624	1,07,081	1,07,081
11,19,80,846		21,14,693	11,40,95,539	1,99,35,831	2,20,50,524
33,71,344		4,18,306	37,89,650	27,68,000	31,86,306
5,41,23,593		1,73,82,727	7,15,06,320	20,94,23,986	23,28,81,948
59,34,836			59,34,836	3,12,361	3,12,361
1,94,81,814	-3,99,865	8,18,667	1,99,00,616	38,42,891	40,52,430
1,97,17,168	-8,70,899	8,76,918	1,97,23,187	21,01,867	30,24,622
73,54,839	-19,152	1,31,58,210	2,04,93,897	2,17,42,125	6,46,410
5,61,838			5,61,838	29,424	29,424
1,12,76,244		32,82,083	1,45,58,327	1,99,89,908	2,32,71,991
3,95,52,223	-8,60,467	50,45,171	4,37,36,927	2,16,90,517	2,46,78,144
6,84,23,871	-3,88,474	43,65,874	7,24,01,271	1,26,75,550	1,51,21,905
51,93,68,754	-25,38,857	5,79,16,301*	57,47,46,198	52,11,59,415	54,56,92,339
20,05,308		12,66,871	32,72,179	12,66,871	25,33,742
				5,45,13,955	5,41,98,747
				62,00,000	62,00,000
52,13,74,062	-25,38,857	5,91,83,172	57,80,18,377	58,31,40,241	60,86,24,828
(48,94,71,175)	(-1,52,91,242)	(4,71,94,129)	(52,13,74,062)	(60,86,24,828)	



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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)	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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014 (Contd.)**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	2,22,25,682	4,53,47,082
Loans & Advances		
Advance to KTPO -Subsidiary Company [Refer note 29 (a)]	7,73,76,950	7,73,76,950
Other Loans & Advances		
Advances to Employees #	3,70,53,565	1,85,42,447
Prepaid Expenses	2,50,158	2,38,133
Sundry Deposits	1,77,78,005	54,09,492
Less: Provision for Doubtful Sundry Deposits	(13,80,599)	(13,59,283)
	1,63,97,406	40,50,209
	15,33,03,761	14,55,54,821

Includes

a) Due from Directors

Nil

Nil

b) Due from officers in the nature of loan

7,49,750

7,90,000

c) Fully secured/secured against personal guarantee

1,07,91,674

1,85,42,447

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	3,51,06,361	3,75,34,195
	3,51,06,361	3,75,34,195

14 CURRENT INVESTMENTS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
Quoted (at cost)		
1,85,096 (previous year 1,85,096) units of Rs. 10 each in UTI-Balance Fund Scheme under reinvestment plan	24,01,212	24,01,212
	24,01,212	24,01,212

(i) Market value of quoted investments

46,73,433

40,23,432

(ii) Aggregate provision for diminution in the value
of investments

Nil

Nil



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

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	3,16,74,385	3,90,30,410
-Considered Doubtful	14,30,88,357	15,44,14,828
	17,47,62,742	19,34,45,238
Less: Provision for Doubtful Receivables	(14,30,88,357)	(15,44,14,828)
	3,16,74,385	3,90,30,410
Outstanding for a period less than six months from the date they became due for payment		
-Considered Good	5,32,30,136	5,22,21,223
	8,49,04,521	9,12,51,633

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 #	64,13,06,332	36,07,16,301
- Bank Deposits upto 3 months original maturity	-	20,00,00,000
- Drafts /Cheques on Hand	6,20,898	2,05,832
- Cash on Hand	4,68,533	5,53,419
- Postage Imprest	24,626	1,05,986
- Gold Coins on hand	-	1,82,422
	64,24,20,389	56,17,63,960
Other Bank Balances		
- Bank Deposits with more than 3 months but upto 12 months original maturity	4,62,00,00,000	8,80,99,87,999
- Bank deposits with original maturity for more than 12 months	5,45,00,00,000	35,00,00,000
	10,71,24,20,389	9,72,17,51,959

Includes

(i) Lying in foreign countries	17,79,478	21,48,383
(ii) Out of (i) above, unconfirmed on the date of the Balance Sheet	7,94,516	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	3,75,623	2,93,427
-KTPO	62,78,651	61,27,732
Others		
Advances to Employees #	14,79,91,452	12,13,25,832
Advances to Parties	10,27,75,381	11,85,14,398
	25,07,66,833	23,98,40,230
Less: Provision for Doubtful Advances	(59,05,565)	(56,85,749)
	24,48,61,268	23,41,54,481
Service Tax Recoverable	10,02,364	-
Income Tax/ TDS Recoverable	1,02,32,57,216	66,70,44,915
Less: Provision for Doubtful Recovery of TDS	(3,58,60,291)	(4,88,38,000)
	98,73,96,925	61,82,06,915
Prepaid Expenses	1,24,79,032	35,83,331
Inter-Corporate Deposits	75,00,00,000	75,00,00,000
	2,00,23,93,863	1,61,23,65,886

Includes

a) Due from Directors / Ex-Directors	2,75,211	1,98,718
b) Due from Officers in the nature of loan	9,52,750	8,78,000
c) Fully secured/secured against personal guarantee	2,04,29,329	1,07,15,305



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

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	11,50,30,619	19,52,41,306
Less: Provision for Doubtful Recovery of Grant	(4,45,97,701)	(13,92,83,664)
	7,04,32,918	5,59,57,642
Interest Accrued on Saving Bank Accounts / Deposits	43,62,83,252	39,16,81,249
Interest Accrued on Advances to Employees	42,21,940	36,76,530
Consumable Stores (valued at cost)	8,61,628	9,80,467
Due from Indian Missions Abroad	1,44,646	22,83,710
Due from parties in respect of Deposit Works	44,71,820	45,71,920
Less: Provision for Doubtful Dues	(38,99,183)	(38,99,183)
	5,72,637	6,72,737
	51,25,17,021	45,52,52,335

19 REVENUE FROM OPERATIONS

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Space Rent (net) #	2,05,40,49,791	1,99,68,79,216
Sale of Entry Tickets / Seasonal Passes	7,80,73,418	7,09,04,290
Sale of Publications	6,91,420	6,78,100
Advertisement (Publications)	25,28,971	28,74,243
Hoardings	18,17,615	3,78,46,191
Subscription Fee	12,51,976	12,01,492
Recovery for Various Services Provided	4,77,90,426	3,13,69,876
Recovery of Electricity & Water Charges	8,73,61,051	8,37,47,306
	2,27,35,64,668	2,22,55,00,714

Rs. 2,18,90,000 has not been recognised as income for the year (cumulative upto 31.03.2014 - Rs.27,57,33,148) 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	91,24,91,320	87,41,24,856
-Income Tax Refunds	4,73,31,816	1,98,73,069
-Advances to Staff	33,37,938	32,31,408
-Others	7,28,07,632	6,73,93,790
	1,03,59,68,706	96,46,23,123
Dividend from UTI	-	1,76,946
Profit on Sale of Assets	61,212	97,388
Difference in Exchange (net)	-	15,074
Miscellaneous Income #	13,75,22,978	6,87,26,031
Revenue Grant from Government of India	4,08,46,916	7,72,51,102
	1,21,43,99,812	1,11,08,89,664

Does not include penalty charges of Rs. Nil (Previous Year Rs.6,20,128 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).



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

21 EMPLOYEES' BENEFITS EXPENSES

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Salaries, Wages & Allowances #	60,57,99,635	58,90,99,301
Other Perks & Allowances	8,07,49,540	8,25,88,278
Medical Expenses	6,56,93,400	6,45,06,635
Performance Related Pay (Refer foot note to Note no.9)	3,37,00,000	4,00,22,854
Contribution to Provident & Other Funds	7,97,79,532	5,37,43,441
Gratuity (Refer Note 34)	2,31,35,134	8,63,20,809
Leave Encashment (Refer Note 34)	2,88,43,937	4,93,32,248
Staff Welfare	4,28,031	55,37,688
Compensation against Employment-Deceased Employees	75,88,460	1,33,09,556
Other Costs	33,66,895	41,72,139
	92,90,84,564	98,86,32,949

Includes Rs.2,99,08,272 (previous year Rs. 3,70,37,955) 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	5,13,80,449	4,59,27,258
Amortisation of Intangible Assets	12,66,871	12,66,871
	5,26,47,320	4,71,94,129

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	14,18,25,770	14,67,99,410
Construction & Interior Decoration	7,43,21,460	8,06,22,624
Publicity	3,73,84,008	3,74,71,028
Freight, Packing & Handling	55,250	3,86,030
Cultural Programmes & Fashion Shows	8,49,220	7,98,260
Travelling & Conveyance [includes Rs. 44,11,305 (previous year Rs. 53,54,363) in respect of Directors]	2,03,81,414	2,27,06,017
Postage, Telegrams & Telephones	61,23,063	47,25,401
Entertainment [includes through Directors Rs.2,65,776 (previous year Rs.1,25,201)]	67,18,366	46,91,249
Maintenance of Pragati Maidan		
-Civil [includes Repairs to Buildings Rs.18,635 (previous year Rs.17,34,000)]	3,66,16,294	6,20,01,733
-Electrical	8,12,77,886	7,49,16,425
-Horticulture	1,49,91,394	1,49,05,562
-Conservancy Arrangements	2,90,41,087	2,53,83,971
Electricity & Water Charges	15,78,98,686	17,86,04,718
Repairs, Renewals & Maintenance	3,62,13,350	1,73,11,065
Rates & Taxes	2,51,55,742	2,02,55,281
Less: Recoveries	(18,23,551)	(12,22,951)
	2,33,32,191	1,90,32,330
Books & Periodicals	16,66,314	14,13,316
Printing & Stationery	1,32,39,368	91,74,099
Rent	14,35,304	14,42,318
Less: Recoveries	(1,39,800)	(1,39,800)
	12,95,504	13,02,518
Vehicle Maintenance	27,32,178	33,79,219
Less: Recoveries	(39,654)	(34,863)
	26,92,524	33,44,356

Contd....



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

Insurance	7,68,546	9,77,747
Advertisement Expenses	38,50,019	58,36,682
Commission	39,49,368	57,69,933
Foreign Delegation	23,00,283	55,447
Difference in Exchange (net)	13,04,315	-
Legal & Professional Charges	89,03,357	81,33,048
Seminar & Training	4,05,344	2,07,316
Interest	22,12,662	64,35,241
Compensation	-	45,51,377
Corporate Social Responsibility Expenses	38,16,161	34,47,822
Provisions/Write Offs	2,66,875	5,27,72,536
Other Miscellaneous Expenses	1,57,49,888	1,26,93,464
Sitting Fees to Directors	2,80,000	1,10,000
Auditor's Remuneration		
-Audit Fee	3,00,000	3,00,000
-Tax Audit Fee	1,00,000	80,000
-Other Expenses	56,826	1,18,143
	73,01,86,793	80,70,78,868

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (Contd.)**24 PRIOR PERIOD ADJUSTMENTS (NET)**

	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Debit (Rs.)	Credit (Rs.)	Debit (Rs.)	Credit (Rs.)
Construction and Interior Decoration	8,86,215	-	-	-
Depreciation	65,35,852	-	-	-
Electricity & Water Charges	-	-	-	46,259
Foreign Delegation	12,44,420	-	-	-
Freight, Packing & Handling	-	-	63,205	-
Legal & Professional Charges	-	-	2,10,000	-
Maintenance of Pragati Maidan- Conservancy	17,63,057	-	-	-
Maintenance of Pragati Maidan-Civil Works	-	3,14,553	73,600	-
Miscellaneous Income	-	59,28,150	-	-
Other Perks and Allowances	17,000	-	-	-
Participation Charges	-	-	-	12,21,476
Postage Telegrams & Telephones	-	21,023	-	-
Publicity Expenses	25,82,540	-	1,53,648	-
Rates & Taxes	-	6,64,333	-	-
Repairs Renewals & Maintenance	4,33,324	-	77,625	-
Salary & Allowances	-	6,839	-	-
Space Rent (Net)	6,236	-	-	-
Staff Welfare	-	-	-	1,82,422
Travelling & Conveyance	57,466	-	-	1,68,494
	1,35,26,110	69,34,898	5,78,078	16,18,651



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	1,07,41,153	2,26,54,955
Provision for Doubtful Debts Written Back	69,49,050	57,59,091
Provision for Doubtful Recovery of TDS Written Back	1,29,77,709	-
	3,06,67,912	2,84,14,046

26 EARNINGS PER EQUITY SHARE

	As at 31.03.2014	As at 31.03.2013
Net Surplus after tax (Rs.)	1,80,01,22,503	1,52,29,39,051
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	52,27,634	59,45,402
Fairs and Exhibitions	14,49,16,920	15,58,53,759
Others	Nil	2,96,996
	15,01,44,554	16,20,96,157

28 EARNINGS IN FOREIGN EXCHANGE

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Space Rent	10,79,36,518	14,11,04,004
Other Receipts	12,05,739	11,32,530
	10,91,42,257	14,22,36,534

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

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	2,47,00,31,052	1,64,84,29,943
(b) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	8,45,08,760	11,09,54,091



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

31 INCOME TAX MATTERS

The Director General of Income Tax (Exemptions) withdrew exemption granted to the Company u/s 10(23C) (iv) of the Income Tax Act, 1961, from the Assessment Year 2009-10 and onwards on the grounds that the Company is engaged in activities of trade, commerce or business or rendering services in relation to trade, commerce or business as per the amended proviso of Section 2(15) of the Income Tax Act, 1961, effective from 1.4.2008, inspite of the Company retaining its basic character of a charitable organisation, having registrations u/s 25 of the Companies Act, 1956, and u/s 12A of the Income Tax Act, and functioning without any change since inception in its character of working as well as sources of income.

As per the legal advice, the Company contested the withdrawal of exemption in the Hon'ble High Court of Delhi. The arguments in the matter have been completed and the pronouncement of the judgment is awaited.

Consequent to the said withdrawal of exemption, demands were raised for the Assessment Years 2009-10, 2010-11 and 2011-12 and the TDS & other refunds due to the Company were adjusted against these demands. Besides, as per directions of the Income Tax Department, the Company also deposited some amounts under protest. The further deposit of demands was stayed in view of the matter pending in the Hon'ble High Court of Delhi.

The position of demands raised and paid/adjusted till 31.3.2014 are as under:-

Assessment Year	Demand Raised (Rs.)	Demands Paid under protest and refunds adjusted (Rs.)	Balance Pending demands (Rs.)	Remarks
2009-10	86,06,01,190	43,02,25,710	43,03,75,480	Recovery of balance demand stayed
2010-11	36,75,99,750	9,27,12,990	27,48,86,760	-do-
2011-12	33,07,85,060	-	33,07,85,060	Recovery of demand has been stayed till decision by the CIT (Appeals)
Total	1,55,89,86,000	52,29,38,700	1,03,60,47,300	

As the matter of withdrawal of exemption is sub-judice and the Company is hopeful of a favourable decision, no provision for the total demand of Rs.1,55,89,86,000 and interest and penalties, if any, have been made in the accounts. However, the same is included as a Contingent Liability at Note No.30(a). Further, no provision for income tax for the subsequent Assessment years 2012-13, 2013-14 and 2014-15 have been made in the accounts. Accordingly, no provision for deferred tax as per Accounting Standard-22 has been made in the accounts.

The adjustment of refunds and amounts deposited by the Company under protest have been reflected in the accounts as "Income Tax Recoverable".

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2014 (Contd.)**32 SERVICE TAX MATTERS**

The Company had been served 3 Demand cum Show Cause Notices from the Service Tax Department as under:-

Sl.No.	Amount (Rs.)	Remarks
1	10,87,94,894	For the period 2006-07 to 2009-10 - Comprising of Service Tax of Rs. 10,64,27,051/- and interest of Rs. 23,67,843/- to the extent determined plus penalties, if any, amount not quantified.
2	42,77,135	For the period 2011-12 - Excluding interest and penalties, if any, amount not quantified.
3	15,51,24,810	For the period 2007-08 to 2009-10 -Comprising of Service Tax of Rs. 15,43,40,285/- and interest of Rs. 7,84,525/- plus penalty, if any, amount not quantified.
Total	26,81,96,839	

As per the expert opinion, the services under S. No. 1 & 2 above on which the demands cum-show cause notices were served, do not fall within the ambit of Service Tax. The demands have been contested by the company with the Commissioner of Service Tax, Delhi. In respect of S. No. 3 above, the applicable Service Tax has already been paid and nothing remains to be paid to the Department in that respect as per the calculations of the Company. Accordingly, the Service Tax Department has been requested during the year to withdraw the said demand.

Therefore, no provision for the demands of Rs. 26,81,96,839 have been made in the accounts. The same is, however, included as a contingent liability at Note No. 30(a).

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) 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



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

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	1,59,35,806	1,32,51,338
Current service cost	67,04,588	74,87,772
Net actuarial (gain)/loss recognised in the period	(3,72,86,661)	48,11,727
Expenses recognised in the statement of Income and Expenditure	(1,46,46,267)	2,55,50,837

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	15,84,86,987	17,70,64,514
Net liability/(assets) recognised in Balance Sheet and related analysis	15,84,86,987	17,70,64,514
Funded Status	(15,84,86,987)	(17,70,64,514)

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	17,70,64,514	16,56,41,719
Interest cost	1,59,35,806	1,32,51,338
Current service cost	67,04,588	74,87,772
Benefits paid (If any)	(39,31,260)	(1,41,28,042)
Actuarial (gain)/loss	(3,72,86,661)	48,11,727
Present value of the obligation at the end of the year	15,84,86,987	17,70,64,514

IV The assumptions employed for the calculations are tabulated

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
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 $[15/26 \times (\text{last drawn basic salary} + \text{dearness allowance})]$ for each completed year of service, subject to a maximum of Rs. 10,00,000.

I Expenses recognized in the statement of Income and Expenditure

	2013-2014 (Rs.)	2012-2013 (Rs.)
Interest Cost	3,63,70,357	2,92,04,751
Current service cost	1,61,05,840	1,62,86,939
Expected return on plan asset	(2,36,28,627)	-
Net actuarial (gain)/loss recognised in the period	(63,35,916)	4,06,77,102
Expenses recognised in the statement of Income and Expenditure	(2,25,11,654)	8,61,68,792

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	40,48,47,345	40,41,15,083
Fair value of plan assets at end of period	38,16,35,475	-
Net liability/(assets) recognised in Balance Sheet and related analysis	2,32,11,870	40,41,15,083
Funded Status	(2,32,11,870)	(40,41,15,083)

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	40,41,15,083	36,50,59,386
Interest cost	3,63,70,357	2,92,04,751
Current service cost	1,61,05,840	1,62,86,939
Benefits paid (If any)	(4,54,08,019)	(4,71,13,095)
Actuarial (gain)/loss	(63,35,916)	4,06,77,102
Present value of the obligation at the end of the year	(40,48,47,345)	40,41,15,083

IV The assumptions employed for the calculations are tabulated

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
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



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

35 SEGMENT REPORTING FOR THE YEAR ENDED 31st MARCH, 2014

(I) Information about Primary Geographical Segments

	Trade Promotion Activities in India	Trade Promotion Activities Abroad	Unallocated	Total
Revenue				
External	2,22,43,28,571	21,63,09,876	-	2,44,06,38,447
	(2,12,56,11,444)	(22,81,87,481)	-	(2,35,37,98,925)
Inter-segment	-	-	-	-
Total revenue	2,22,43,28,571	21,63,09,876		2,44,06,38,447
	(2,12,56,11,444)	(22,81,87,481)		(2,35,37,98,925)
Result				
Segment result	88,74,00,288	-3,73,53,430	-	85,00,46,858
	(75,01,99,330)	(-4,60,96,901)	-	(70,41,02,429)
Unallocated expenditure net of unallocated income	-	-	-2,82,27,743	-2,82,27,743
	-	-	(-12,38,20,465)	(-12,38,20,465)
Interest/Dividend income	-	-	98,48,94,600	98,48,94,600
	-	-	(94,16,16,514)	(94,16,16,514)
Surplus before taxation and Prior Period Adjustment (Net)	-	-	-	1,80,67,13,715
	-	-	-	(1,52,18,98,478)
Prior Period Adjustment(Net)	-	-	-	-65,91,212
	-	-	-	(10,40,573)
Excess of income over expenditure	-	-	-	1,80,01,22,503
	-	-	-	(1,52,29,39,051)
Other information				
Segment assets	85,40,71,439	13,81,85,300	13,21,59,81,880	14,20,82,38,619
	(91,94,98,313)	(10,06,79,236)	(11,77,66,10,570)	(12,79,67,88,119)
Segment liabilities	66,69,28,846	8,96,67,387	52,23,69,531	1,27,89,65,764
	(70,13,95,572)	(6,34,30,488)	(90,28,11,707)	(1,66,76,37,767)
Capital expenditure	3,92,30,394	-	-	3,92,30,394
	(7,27,74,248)	-	-	(7,27,74,248)
Depreciation & Amortisation	5,26,47,320	-	-	5,26,47,320
	(4,71,94,129)	-	-	(4,71,94,129)
Non-cash expenses other than depreciation	-	-	-	-

(Contd.)

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

(II) The Company does not have any Secondary Segment.

- NOTE:** (a) The unallocated expenditure includes 10% of establishment and office expenses. The balance is apportioned among the segments on the basis of their respective revenues.
- (b) The unallocated assets and liabilities include those which are not possible to be appropriately identified to a specific segment.
- (c) Figures in brackets in the Segment Report relate to the previous year.

36 PREVIOUS YEAR FIGURES

The Previous year's figures have been regrouped / reclassified / recast, wherever considered necessary.

Sd/-
(S.R. Sahoo)
Company Secretary

Sd/-
(R.K. Singh)
Chief Financial
Officer - Ex officio

Sd/-
(Malay Shrivastava)
Executive Director

Sd/-
(Rita Menon)
Chairperson & Managing Director

Place : New Delhi
Dated : 25/08/2014



INDIA INTERNATIONAL SECURITY EXPO



Subsidiary Companies



DIRECTORS' REPORT

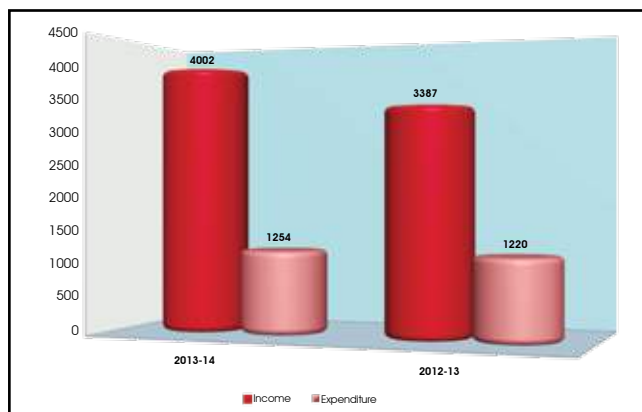
The Board of Directors of the Tamilnadu Trade Promotion Organisation have immense pleasure in presenting their 13th Annual Report along with audited Balance Sheet and Income and Expenditure Account for the year 2013-14.

Financial Highlights:

The performance of the Company during 2013-14 has resulted in a surplus of Rs. 2,748 lakhs as compared to Rs. 2,167 lakhs in the previous year and the total income generated during the year is Rs. 4002 lakhs as compared to Rs. 3387 lakhs in the previous year. The total expenditure during the year was Rs. 1254 lakhs as compared to Rs. 1220 lakhs in the previous year.

Diagram representing Income & Expenditure

Fig. in Lakhs Rs.



Board of Directors:

Smt. Rita Menon, I.A.S. has taken over the charge as Chairperson, TNTPO w.e.f 03.01.2012 vice Shri Rajeev Kher I.A.S. Shri S. Visakan, DRO has assumed charge as Managing Director, TNTPO w.e.f. 07.03.2013 (After noon) vice Shri. K.S. Kandasamy, DRO. The Board records its appreciations for the services rendered by the outgoing Directors during their tenure. The tenures of the other directors on the Board of Company are furnished below:

Sl. No	Name of Director	From	To
1	Shri C.V. Sankar. Principal Secretary to Government, Industrial Department, Government of Tamilnadu.	29.10.2013	Continuing
2	Shri Malay Shrivastava, I.A.S. Executive Director, ITPO	07.06.2013	Continuing
3	Shri Arun Chandra, General Manager, ITPO	01.03.2014	Continuing
4	Shri B. Elangovan, General Manager, TIDCO	26.10.2009	Continuing
5	Shri R. Karthikeyan, Development Manager, TIDCO	20.12.2007	Continuing
6	Shri N.S. Palaniappan Ex-Principal Secretary to Government, Industries Department, Government of Tamilnadu	07.06.2013	29.10.2013
7	Shri Hans Raj Verma, I.A.S. Ex-Chairman & Managing Director TIDCO	11.12.2012	18.06.2014
8	Shri P.C. Sharma Ex-Senior General Manager, ITPO	07.06.2013	01.03.2014
9	Shri Vikram Kapur, I.A.S. Ex-Principal Secretary to Government, Industries Department, Government of Tamilnadu	11.12.2012	07.06.2013
10.	Shri Asit Kumar Tripathy, I.A.S., Ex-Executive Director, ITPO.	11.12.2012	07.06.2013
11	Shri A.K. Khanna Ex-Senior General Manager, ITPO	20.12.2007	07.06.2013

New Initiatives Undertaken:**1. Public Liability Insurance:**

For the first time, TNTPO has taken Public Liability Insurance from M/s. Oriental Insurance Company Ltd for a sum assured of Rs. 10 Crores, so as to cover the following perils: fire, explosion, accidents, storm, flood inundation, earthquake and terrorism activity, etc. including Rs. 1 Crore Add-on cover for food and beverages.

2. Automation of Entry ticketing system:

TNTPO has been implemented automation of entry ticketing system in order to ensure the transparency and to have a better control over it. Also online checking of the sale entry ticket is possible at any point of time in this new system.

3. Showcase Malaysia 2013

Malaysia External Trade Development Corporation (MATRADE) organized "Showcase Malaysia 2013"—a B2B Exhibition in CTC during June 2013. As a gesture of goodwill, TNTPO extended the assistance to the organizer ensuring wider participation, by way of networking with various organizers and Associations. In response to our gesture of goodwill, they have duly recognized Tamilnadu Trade Promotion Organisation as a supporting partner for the event. The event was very successful and our efforts were well appreciated by them.

4. Memorandum of Understanding:

The Company signed MoU with Madurai District Tiny & Small Scale Industries Association (MADITSSIA) on 03.03.2014. TNTPO and MADITSSIA will jointly organize Exhibitions including "Buyer Sellers Meet", at mutually convenient dates on mutually agreeable terms. The Company signed another MoU with Japan External Trade Organisation (JETRO), Chennai on 06.11.2013 to organize a B2B exhibition "Automotive Parts, Procurement Exhibition-2013", and the same was organized by JETRO wherein TNTPO was supporting partner during 26-27th Nov-13 at Chennai

Trade Centre. This exhibition was very successful and JETRO felt very happy for organizing the above exhibition.

The company is also jointly organizing a bi-annual exhibition "AAHAR" with ITPO, Holding Company and the next "AAHAR" is proposed to be held at Chennai Trade Centre in the month of August-2014.

Revision of Rental Charges of Exhibition Halls and Convention Centre:

After seven years, the TNTPO has revised the rental charges for both exhibition Halls and Convention Centre w.e.f. 01.09.2013 resulting which there has been a remarkable increase in the operational revenue.

Exhibitions & Events during the year:

The exhibition halls and Convention Centre of TNTPO are made available to the trade and industry for organizing specialized and general trade fairs, Conferences, Seminars, Corporate Annual Day Celebration, etc. During the year 2013-14, 115 events in Exhibition Halls and 94 events in Convention Centre were held.

Important exhibitions held include the following:**i) International Exhibitions:**

India International Leather Fair-2014, Poly India-2013, IPLEX-2013, Food Pro-2013, Renergy-2013, Connect-2013, Warehousing Show-2013, Automotive Parts Procurement Exhibition-2013, Automotive Engineering Show-2013, Gems & Jewellery-2014, Automotive Engineering Show-2013, India International Sea Food Show-2014, Automotive Testing Expo-2014, India International Hand-woven Fair-2014, Tyre Expo, Chemtech-2013, EMMA Expo-2013, Water Expo-2014, Showcase Malaysia-2013, Yarn & Fabric Show-2013 & India International Travel Mart.

ii) Other Exhibitions:

Heat Treat & Surface Expo-2013, India Bakery Expo-2013, N-Printech Expo-2013, The Hindu Metroplus Expo-2013, Compack, Logmat & Copexpo-2013, Print Expo-2013, Commercial



TaMILnadU Trade PrOMOTION OrGanISaTION

Vehicle Fair-2013, India Mattress Expo-2013, Image Today-2013, Garment Show-2013, Financial Fair-2013, Hindu Education Fair-2013 & Dental Show.

Important seminars/conferences / events held include the following:

Polaris Annual Day-2013, Salcomp Employees Meet-13, Shell Family Day-13, Green Building Congress-13, National Convention-13, Annual Day-13, BAICON Award Function-13, CADD Centre Fashion Show-13, Mirchi Music Award Show-13, Flextronics Annual Day-13, Women Empowerment-13, Indian Marine University Convocation-14, OPAI-2014 and NEPCON-2014.

Visit of Important Dignitaries:

During the financial year 2013-14, the important exhibition/conferences held in CTC were participated by good number of the most important dignitaries in India and the Consul Generals of foreign countries. The Hon'ble President of India visited Chennai Trade Centre for a event organized by India Maritime University. The Hon'ble Chief Minister of Tamilnadu also visited Chennai Trade Centre and His Excellency the Governor of Tamilnadu has visited Chennai Trade Centre as chief guest for several exhibitions. Moreover, the Consul General of Malaysia, Japan and Thailand also visited Chennai Trade Centre during the year. Besides, Trade consuls of different countries visited Chennai Trade Centre.

Future Plans:

Even though the Company has excellent facilities, strategic location having proximity to Airport, Port and well established road connectivity with other parts of the city, the area of exhibition halls is much lesser, compared to the demands of the organizers at some times. Many international events could not be held in the Chennai Trade Centre because of insufficient exhibition areas for which there is constant demand from organizers requiring to built up exhibition area of more than 20,000 sq.mtrs. Therefore, considering the importance of exhibition industry to promote trade and commerce, the Board of TNTPO has agreed in-principle to construct an Exhibition space of 16000-17000 sq.mtrs towards expansion project of the Chennai Trade Centre.

TNTPO Website:

TNTPO has been constantly updating its website at www.chennaitradecentre.org reflecting the latest events, fairs and activities in exhibition halls and Convention Centre. The website is tailor made to provide concise information about various services provided at the Exhibition Halls and Convention Centre.

Fixed Deposit:

During the year, Company has not accepted any Fixed Deposits and hence details as required under the relevant provisions of Companies Act have not been furnished.

Auditors:

M/s. K. Gopinath & Co., Chartered Accountants, Chennai, have been appointed as Statutory Auditors of TNTPO by the Comptroller and Auditor General of India, New Delhi.

Corporate Social Responsibility:

The company approached the District Collector, Kancheepuram for seeking his help in identifying development activities to be taken by TNTPO in nearby backward areas. Accordingly, the District Collector, Kancheepuram has identified an activity of construction of compound wall for Singadivakkam Government Higher Secondary School, Wallagabad Panchayat, Kancheepuram and the company contributed a sum of Rs.2 Lakhs as 1/3 contribution of the above scheme.

Particular of Employees:

None of the employees is in receipt of salary in excess of the limit prescribed under the provision of section 217 (2A) of the Companies Act, 1956.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report has separately been appended herewith and forms part of this Report (Annexure-I)

Conservation of Energy, Technology Absorption, Adaption and Innovation, Foreign Exchange Earnings and Outgo.

In terms of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars

in the Report of Board of Directors) Rules, 1988, the directors furnish the information as below:

Conser- vation of Energy	The Company's activities do not involve continuous consumption of energy. However the Company has made substantive energy conservation pursuant to an Energy Audit, Renovation of STP and installation of Energy efficient lighting, etc.	
Technology Absorption	The automation of entry ticket has been made fully operational and henceforth transparency and better control are ensured in the sale of entry tickets	
Foreign Exchange Earnings and Outgo	2013-2014 (Rs.)	2012- 2013 (Rs.)
Earnings	12,73,510	8,61,851
Outgo	Nil	Nil

Risk Management Policy

The Company has taken all required steps to implement risk management policy by way of taking adequate insurance policies of all Building and Plant & Machineries at CTC complex for fire and other perils. Further, for the first time, the Company has taken a Public Liability Policy for a sum assured to Rs. 10 Crore from M/s. Oriental Insurance Company Ltd so as to cover the following perils: fire, explosion, accidents, storm, flood inundation, earthquake and terrorism activity, etc.

Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors subscribe to the "Directors Responsibility Statement" and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgements, estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the excess of income over expenditure of the Company for the period;
- The Directors had taken proper and sufficient

care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and

- The Directors had prepared the annual accounts on a going concern basis.

Acknowledgements:

The Directors wish to place on record their appreciation of the support, which the Company continued to receive from the Ministry of Commerce and Industry, Government of India, Department of Industries, Government of Tamilnadu, ITPO, TIDCO and Event Organisers/Managers of those who organized exhibition and events at Chennai Trade Centre.

The Board also takes on record its sincere appreciation and gratitude to Central Public Works Department, Police Department, Tamil Nadu Electricity Board, Chennai Metro Water Supply and Sewage Board, Bharat Sanchar Nigam Ltd., Chennai Metropolitan Development Authority, Indian Overseas Bank, State Bank of India, Union Bank of India, Indian Bank, Karur Vysya Bank and other agencies and individuals for their willing co-operation extended to TNTPO.

The Board of Directors is also grateful to the Comptroller and Auditor General of India, Department of Company Affairs and the Auditors for their valuable co-operation. The Board also places on record the significant contribution made by the employees at all levels and conveys its appreciation for their dedication, devotion to duty and their exemplary involvement in all the development activities.

For and on behalf of the Board of Directors

Sd/-
S.Visakan
Managing Director

Sd/-
R.K.Singh
Director

Place: Chennai

Date: 30/07/2014



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Annexure-I

Management Discussion and Analysis Report

Growth of TNTPO – An overview

The operation of the Company for the period ended on 31st March, 2014, have yielded a surplus of Rs. 2,748 lakhs as against Rs.2,167 lakhs for the fiscal year 2012-13 and Rs.1,886 lakhs for the fiscal year 2011-12. This indicates an annual growth rate of 26.18% and 14.90% respectively, over the preceding fiscal years 2012-13 and 2011-12. The total income generated during 2013-14 is Rs.4,001.74 lakhs as compared to Rs.3,386.64 lakhs in 2012-13 and Rs.3,006.02 lakhs during 2011-12.

As per the Memorandum & Articles of Association of the Company and as per registration of the company under Section 25 of the Companies Act, 1956, no dividend is payable. Therefore, the excess of income over expenditure amounting to Rs.2,748 lakhs has been carried forward to the Reserve and Surplus Account for the utilization of the same in furtherance of its objectives.

Future outlook:

The Company is proposing to construct an Exhibition space of 16000 to 17000 sq.mtrs at a stretch towards expansion of the Chennai Trade Centre, in order to meet the growing demand from the organizers for conduct of mega international events at CTC.

Cooperation with other Trade Promotion Organizations:

TNTPO is networking with regional trade associations/organizers, like Madurai District Tiny and Small Insustries Association (MADITSSI) and entered MoU with MADITSSIA and Japan External Trade Organisation (JETRO), Chennai for cooperation in the field of trade promotion activities.

TNTPO is member of Indo-Australian Chambers of Commerce and Indo-ASEAN Sri lankan Chamber of Commerce & Industries.

Statement in this Mangement Analysis and Discussion Report describing the Company's performance is forward looking within the meaning of applicable laws and regulations.

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No	As at 31 st March 2014 (Rs.)	As at 31 st March 2013 (Rs.)
EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	B	1,00,000	1,00,000
(b) Reserves and Surplus	C	1,27,98,39,647	1,00,95,79,837
(2) Non-Current Liabilities			
(a) Long-term borrowings	D	22,60,75,082	22,60,75,082
(b) Long-term provisions	E	11,93,283	10,37,414
(3) Current Liabilities			
(a) Trade payables	F	41,69,928	38,84,628
(b) Other current liabilities	G	18,86,62,043	17,15,81,999
(c) Short-term provisions	H	7,40,399	7,24,204
Total		1,70,07,80,382	1,41,29,83,164
II ASSETS			
(1) Non-current assets			
(a) Fixed assets	I	49,45,05,654	51,08,95,954
Tangible assets	J	5,18,11,569	3,55,49,493
(b) Long term loans and advances	K	71,000	71,000
(c) Other Non-current asset			
(2) Current assets			
(a) Trade receivables	L	1,41,46,258	1,36,47,726
(b) Cash and Bank Balances	M	99,52,29,113	81,00,25,896
(c) Short Term Loans & Advance	N	77,55,799	64,28,279
(d) Other Current assets	O	13,72,60,989	3,63,64,816
Total		1,70,07,80,382	1,41,29,83,164

Significant Accounting Policies

The accompanying notes are integral part of Financial statements.

Sd/-
M.K.N. Kumaar
Manager (Accounts)

Sd/-
S.Visakan
Managing Director

Sd/-
R.K.Singh
Director

As per our report of even date
For M/s. K. Gopinath & Co
Chartered Accountants
(FRN:- 984S)

Sd/-
K. Gopinath
Proprietor
M.No.23166

Place: Chennai
Date : 30.07.2014



INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No	As at 31 st March 2014 (Rs.)	As at 31 st March 2013 (Rs.)
I. Income			
(a) Revenue from operations	P	30,59,46,510	25,93,76,842
(b) Other Income	Q	9,42,27,514	7,92,87,811
		40,01,74,024	33,86,64,653
II. Expenses:			
(a) Employee Benefit expense	R	69,38,059	90,00,023
(b) Depreciation and Amortisation Expense	I	2,23,51,653	2,20,50,203
(c) Other expenses	S & T	9,56,83,399	9,09,67,280
		12,49,73,111	12,20,17,506
III. Surplus before Exceptional items and Tax (I-II)		27,52,00,913	21,66,47,147
IV. Exceptional items (Prior Period Items)		3,84,383	49,252
V. Surplus before Tax (III-IV)		27,48,16,530	21,66,96,399
VI. Tax expense:		-	-
VII. Surplus/(Deficit) after Tax for the year (V-VI)	A-7 (c)	27,48,16,530	21,66,96,399
VIII. Earning per equity share:			
(1) Basic		27,48,165	21,66,964
(2) Diluted		27,48,165	21,66,964

Significant Accounting Policies

The accompanying notes are integral part of Financial statements.

Sd/-
M.K.N. Kumaar
Manager (Accounts)

Sd/-
S.Visakan
Managing Director

Sd/-
R.K.Singh
Director

As per our report of even date
For M/s. K. Gopinath & Co
Chartered Accountants
(FRN:- 984S)

Sd/-
K. Gopinath
Proprietor
M.No.23166

Place: Chennai
Date : 30.07.2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the Period 31 st March 2014		For the Period 31 st March 2013	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
A. Cash Flow from Operating Activities				
Net Profit/(Loss) before Tax and Extraordinary items		27,52,00,913		21,66,47,147
Adjustment for				
Add:				
Depreciation	2,23,51,653		2,20,50,203	
Prior period items	(3,84,383)		49,252	
Loss on Sale of assets	-		25,652	
		2,19,67,270		2,21,25,107
Less:				
Profit on sale of Asset	-		1,000	
Interest Income	8,23,62,911		7,02,41,269	
Provision for Income Tax	-		-	
Amortisation for Grant	45,56,720		45,56,720	
		8,69,19,631		7,47,98,989
Operating profit before Working Capital changes		21,02,48,552		16,39,73,265
Adjustment for Working Capital changes:				
Add:				
Increase in Trade Payables	2,85,300		13,18,323	
Increase in Other Liabilities	1,72,52,108		2,10,68,495	
		1,75,37,408		2,23,86,818
Less				
Increase / (Decrease) in Sundry Debtors	4,98,532		23,05,681	
Increase / (Decrease) in Loans & Advances and Other Assets	11,84,85,769		2,75,04,565	
		11,89,84,301		2,98,10,246
Net Cash Flow from Operating Activities–(A)		10,88,01,659		15,65,49,837
B. Cash Flow from Investing Activities				
Sale of vehicles			3,300	
Interest Income	8,23,62,911		7,02,41,269	
Purchase of Fixed Assets	(59,61,353)		(33,76,383)	



TAMILNADU Trade
PROMOTION ORGANISATION

		7,64,01,558		6,68,68,186
Net Cash Flow from Investing Activities – (B)		7,64,01,558		6,68,68,186
Cash Flow from Financial Activities – (C)		-		-
Net Cash Flow – (A+B+C)		18,52,03,217		22,34,18,023
Cash and Cash Equivalents at the beginning of the year		81,00,25,896		58,66,07,873
Cash and Cash Equivalents at the end of the year		99,52,29,113		81,00,25,896
Increase (Decrease) in Cash and Cash Equivalents		18,52,03,217		22,34,18,023

Sd/-
M.K.N. Kumaar
Manager (Accounts)

Sd/-
S.Visakan
Managing Director

Sd/-
R.K.Singh
Director

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of TAMILNADU TRADE PROMOTION ORGANISATION for the year ended March 31, 2014. The statement has been prepared in accordance with the requirements of Accounting Standard -3 issued by the Institute of Chartered Accountants of India and is based on and in agreement with the Balance Sheet and Statement of Income and Expenditure of the Company covered by our report of 30th July 2014 to the members of the Company.

As per our report of even date
For M/s. K. Gopinath & Co
Chartered Accountants
(FRN:- 984S)

Sd/-
K. Gopinath
Proprietor
M.No.23166

Place: Chennai
Date : 30.07.2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**(1) Shareholder's Fund****Note B: Share Capital**

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised 5,000 Equity Shares of Rs.1,000 each	5,000	50,00,000	5,000	50,00,000
Issued 100 Equity Shares of Rs 1000 each	100	1,00,000	100	1,00,000
Subscribed & Paid up 100 Equity Shares of Rs.1000 each fully paid	100	1,00,000	100	1,00,000
Total	100	1,00,000	100	1,00,000

a. Reconciliation of number of shares outstanding

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Nos	Nos	Nos	Nos
Number of Shares at the beginning	100		100	
Add: Shares Issued during the year	-		-	
Number of Shares at the end		100		100

b. Terms/Rights Attached to Equity Shares

The Company has only one class of Equity shares having a par value of Rs.1,000 per share. Each holder of Equity Share is entitled to one vote per share.

c. Share Holders holding than 5% of the shares

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	No of Shares	% of share hold-ing	No of Shares	% of share holding
ITPO	51	51	51	51
TIDCO	49	49	49	49



Note C: Reserves and Surplus

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
A. Capital Reserve				
Opening balance	11,33,70,937		11,79,27,657	
(-) Amortisation of Grant received from ASIDE	45,56,720		45,56,720	
Closing Balance		10,88,14,217		11,33,70,937
B. Surplus				
Opening balance	89,62,08,900		67,95,12,501	
(+) Net Surplus/(Net Loss) for the current year	27,48,16,530		21,66,96,399	
Closing Balance		1,17,10,25,430		89,62,08,900
Total		1,27,98,39,647		1,00,95,79,837

(3) Non-Current Liabilities

Note D: Long-term borrowings

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Unsecured				
From Share holders				
ITPO	16,37,48,414		16,37,48,414	
TIDCO	6,23,26,668		6,23,26,668	
(Terms of Repayment – NIL)		22,60,75,082		22,60,75,082
Total		22,60,75,082		22,60,75,082

Note E: Long-term Provisions:

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Provision for Employee Benefits				
-Gratuity		11,93,283		10,37,414
Total		11,93,283		10,37,414

(4) Non-Current Liabilities**Note F: Trade Payables**

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Sub Contractors				
Amount outstanding other than to Micro, Small and Medium enterprises		41,69,928		38,84,628
Total		41,69,928		38,84,628

Note G: Other current liabilities

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Unsecured – considered good				
(a) Duties & Taxes	2,53,114		3,74,419	
(b) Customer Advance				
- For future events	3,50,50,821		3,46,19,100	
- For refund to organizers	1,53,51,268		1,09,59,322	
(c) Deposits	15,57,325		12,04,239	
(d) Expenses Payable	13,64,49,515		12,44,24,919	
		18,86,62,043		17,15,81,999
Total		18,86,62,043		17,15,81,999

Note H: Short Term Provisions:

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
(a) Provision for Employee Benefits	7,40,399		7,24,204	
	-	7,40,399	-	7,24,204
Total		7,40,399		7,24,204



II: Assets

Non-current assets

Note J: Long term loans and advances

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
(a) Sundry Deposits Unsecured, considered good unless stated otherwise	50,30,455		41,49,180	
(b) Capital Advances Unsecured, considered good	6,92,525		6,92,525	
(c) Income Tax Refundable	4,60,88,589		3,07,07,788	
		5,18,11,569		3,55,49,493
Total		5,18,11,569		3,55,49,493

Note K: Other Non-current asset

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Preliminary Expenses not written off		71,000		71,000
Total		71,000		71,000

Current Assets

Note L: Trade receivable

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good Outstanding for a period more than six months from the date they are due for payment	52,63,895		40,20,879	
Others	88,82,363		96,26,847	
Doubtful Outstanding for a period more than six months from the date they are due for payment	7,04,102		7,04,102	
Less: Provision for Bad & Doubtful Debts	(7,04,102)		(7,04,102)	
		1,41,46,258		1,36,47,726
Total		1,41,46,258		1,36,47,726

Note M: Cash and Bank Balances

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
a) Balance with banks				
Savings Accounts	3,28,52,513		85,74,286	
Short Term Deposits	96,20,00,000		80,11,77,610	
b) Cash on hand	3,76,600		2,74,000	
		99,52,29,113		81,00,25,896
Total		99,52,29,113		81,00,25,896

Note N: Short Term Loans & Advances

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good				
a) Employee Advances	4,96,614		5,38,614	
b) Advances to Others	10,63,604		13,86,505	
c) Taxes & duties paid in Advance	61,95,581		45,03,160	
		77,55,799		64,28,279
Total		77,55,799		64,28,279

Note O: Short Term Loans & Advances

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Rs.	Rs.	Rs.	Rs.
a) Prepaid Expenses	2,68,511		2,47,468	
b) Accured Interest	3,95,54,416		3,59,25,107	
c) Electricity Charges Receivable	1,29,149		1,07,501	
d) Deposit-Income Tax Accmount	9,69,73,167			
e) Diesel Stock	3,13,500			
f) Rent Receivable	22,246		84,740	
		13,72,60,989		3,63,64,816
Total		13,72,60,989		3,63,64,816



Note I

FIXED ASSETS

	GROSS BLOCK (AT COST)					DEPRECIATION BLOCK				NET BLOCK	
NAME OF THE ASSETS	As at 01.04.2013	Additions	Dele- tions	As at 31.03.2014	Rate	Accumulated Depreciation Upto 31.03.2013	Deletions / Adjust- ments	For the Year	Accumulated Depre- ciation as on 31.03.2014	As at 31.03.2014	As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	38,47,36,401	12,31,170		38,59,67,571	1.63	5,46,41,493		62,77,140	6,09,18,633	32,50,48,938	33,00,94,908
Plant & Machinery	8,51,16,707	4,15,833		85,53,25,40.00	4.75	2,69,86,605		40,50,623	3,10,37,228	5,44,95,312	58,130,102
Office Equipments	40,70,175	6,26,381		46,96,556	4.75	6,79,842		2,03,288	8,83,130	38,13,426	33,90,333
Electrical Fittings											
For Machines	3,96,43,485			3,96,43,485	7.07	2,35,81,864		28,02,794	2,63,84,658	1,32,58,827	1,60,61,621
Others	15,47,72,508	12,00,852		15,59,73,360	4.75	5,96,30,989		73,63,106	6,69,94,095	8,89,79,265	9,51,41,519
Computer	11,80,581	3,60,254		15,40,835	16.21	9,25,058		2,20,958	11,46,016	3,94,819	2,55,523
Vehicles	11,18,718	14,86,245		26,04,963	9.50	8,69,726		2,12,270	10,81,996	15,22,967	2,48,992
Furniture & Fixtures											
For Convention Centre	45,93,941			45,93,941	9.50	32,88,509		4,36,424	37,24,933	8,69,008	13,05,432
Others	1,20,85,291	6,40,618		1,27,25,909	6.33	58,17,767		7,85,050	66,02,817	61,23,092	62,67,524
Total	68,73,17,807	59,61,353	-	69,32,79,160		17,64,21,853	-	2,23,51,653	19,87,73,506	49,45,05,654	51,08,95,953
Previous Year	68,41,20,906	33,76,383	179,482	68,43,17,801		15,45,23,180	1,51,530	2,20,50,203	17,64,21,853	51,08,95,954	52,95,97,726

NOTES FORMING PART OF FINANCIAL STATEMENTS - MARCH 31, 2014

I. Income

Note P: Revenue from operations

Particulars	For the year ended	
	31 st March 2014 Rs.	31 st March 2013 Rs.
Sale of Services		
Convention Centre-Receipts	5,19,51,491	4,47,29,835
Licence Fees	24,62,62,800	20,63,91,587
Other Operating Revenues		
Empanelment Fees	20,20,494	11,47,584
Income From Outdoor Filmshooting	1,01,000	1,54,000
Income From Sale of Ticket	56,10,725	69,53,836
Total	30,59,46,510	25,93,76,842

Note Q: Other Income

Particulars	For the year ended	
	31 st March 2014 Rs.	31 st March 2013 Rs.
Income by way of Grant (ASIDE Grant)	45,56,720	45,56,720
Interest	8,23,62,911	7,02,41,269
Profit on sale of assets	----	1,000
Misc. Income	73,07,883	44,88,822
Total	9,42,27,514	7,92,87,811



II. Expenses:

Note R: Employee benefit expense

Particulars	For the year ended	
	31 st March 2014	31 st March 2013
	Rs.	Rs.
a) Salaries & Wages	47,09,056	71,90,085
b) Contribution to PF	3,49,501	4,35,172
c) Gratuity	3,14,352	1,51,439
d) Leave Salary	2,53,453	1,50,604
e) Staff Welfare	13,11,697	10,72,723
Total	69,38,059	90,00,023

Note S: Other expenses

Particulars	For the year ended	
	31 st March 2014	31 st March 2013
	Rs.	Rs.
Operation and Maintenance	3,18,42,545	3,48,97,634
Electricity Charges	3,51,78,127	2,75,98,166
Lease Rent on Land	1,00,00,000	1,00,00,000
Repairs & Maintenance		
Electricals	20,29,866	44,24,480
Buildings	24,19,723	30,13,974
Vehicles	3,38,446	3,90,636
Equipments & Computers	4,93,394	2,61,505
Professional & Consultancy Charges	5,55,410	5,37,390
Travelling & Conveyance	9,14,020	13,21,683
Insurance	5,30,781	3,02,684
Administrative Expenses	1,10,81,087	81,19,128
Expenses on CSR Activities	2,00,000	
Total	9,55,83,399	9,08,67,280

Note T: Audit Remuneration

Particulars	For the year ended	
	31 st March 2014	31 st March 2013
	Rs.	Rs.
Auditors Remuneration	1,00,000	1,00,000
Total	1,00,000	1,00,000

NOTES FORMING PART OF FINANCIAL STATEMENTS – MARCH 31, 2014**Note A:****Significant Accounting Policies:****a) Accounting Convention:**

The financial statements are prepared in accordance with generally accepted accounting principles in India including accounting standards notified under section 211(3c) of the Companies Act, 1956 under historical cost conventions and relevant provisions thereof.

All assets and liabilities have been classified as current or non-current as per the company's operating cycle and other criteria set out in Revised schedule VI to the Companies Act, 1956. Based on the nature of products and the time of acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycles 12 months for the purpose of current/ non-current classification of assets and liabilities.

b) Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

d) Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost less accumulated depreciation. The cost of Fixed Assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
- b) Depreciation on fixed assets has been calculated on 'Straight Line' method at rates prescribed by schedule XIV of the companies Act, 1956.
- c) Depreciation on addition to fixed assets and deletions to fixed assets has been calculated on pro-rata basis
- d) Assets costing Rs.5000/- or less individually are depreciated at the rate of 100%

e) Foreign Exchange Transactions:

Transaction in foreign currency are recorded at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding



at the year-end, are translated at exchange rates applicable as of that date. Non-monetary items denominated in foreign currency, (such as investments, fixed assets etc) are valued at the exchange rate prevailing on the date of transaction.

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Profit & Loss Account either under the head foreign exchange fluctuation or interest cost, as the case may be.

f) Revenue Recognition :

All income and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses except for:-

- i) Government Grants – Recognized on Receipt basis
- ii) Income from fairs/exhibitions which falls in two accounting periods recognized in the accounting period in which the event concludes.
Interest Income is recognized on time proportion basis taking into account amount invested and the rate Interest.

g) Government Grants:

- i) Grants are accounted on receipt basis.
- ii) Grants relating to Fixed Assets are shown under Capital Reserves.
- iii) Grants relating to Fixed Assets are recognized as deferred income based on the average normal rate of Depreciation of all assets by considering the nature of the assets, its life span and in line with AS-12 "Accounting for Government Grants" laid down by ICAI.

h) Employee Benefits:

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits, including accumulated compensated absences, as at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absence is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

Defined Contribution Plans:

The Company's state governed provided fund scheme is defined contribution plans. The contribution paid/payable is recognized during the period in which the employee renders the related service.

Defined Benefit Plans:

The liability towards Gratuity and compensated absences as at the Balance Sheet date are determined on the basis of actuarial valuation based on Projected Unit Credit method.

i) Leases:

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Such lease is capitalized at the inception of the lease at lower of

the value of the minimum lease payments and a liability is created for an equivalent amount. The installments paid are allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired as leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Income and Expenditure Account on accrual basis.

j) Earnings per Share:

The Basic and Diluted Earnings per share (EPS) is computed by dividing the net surplus after tax for the year by weighted average number of equity shares outstanding during the year.

k) Taxation

Provision for taxation has not been made in the books of accounts since writ petitions have been filed by the Company before the Hon'ble High Court of Chennai, challenging the provision of section 2(15) and orders for withdrawal of exemption granted under section 10 (23C) (IV) issued by CCIT-III, Chennai. Hence, the provision relating to Deferred Tax as per the Accounting Standard-22 has also not been made.

l) Impairment of Assets:

At each balance sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

m) Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

A.1. Foreign Exchange Transactions:

Particulars	For the Period 31 st March 2014	For the Period 31 st March 2013
	Rs.	Rs.
Earnings in Foreign Exchange		
License Fee for Exhibition	12,73,510	8,61,851
Expenditure in Foreign Currency		
Foreign Travel	Nil	Nil



A.2. Government Grants:

Since both State and Central ASIDE Grants received during previous years were relating to Specific Fixed Assets, Such grants are treated as capital reserves and shown in the balance sheet as capital reserves under reserves and surplus.

As referred in Note-A (g) (iii), Grants relating to fixed assets are recognized as income based on the average normal rate of depreciation which is considered as a systematic and rational basis over the life span of the assets as per the policy and in line with the Accounting Standard – 12 (AS-12). Accordingly, a sum of Rs. 45.57 lakhs has been recognized as income during the year. Further, no grant has been received by the company during the year.

A.3. Employee Benefits:

a. Gratuity:

The Company's obligation towards gratuity fund is a Defined Benefit plan and the details of actuarial valuation as on 31.03.2014 are given below:

Expense recognized in Income and Expenditure Account:	For the Period 31 st March 2014	For the Period 31 st March 2013
	Rs.	Rs.
Current Service Cost	92,665	80,827
Interest cost	82,993	65,203
Expected return in planned assets	(92,626)	(70,940)
Net Actuarial (gains)/losses	1,28,851	76,349
Expenses recognized in the Income and Expenditure Account	2,11,883	1,51,439

Reconciliation of present value of the obligation and the fair value of the plan assets	For the Period 31 st March 2014	For the Period 31 st March 2013
	Rs.	Rs.
Closing Projected Benefit Obligation	10,84,221	10,37,414
Fair value of Planned Assets	11,93,283	9,42,349
Unfunded Net Asset/(Liability)	(1,09,062)	(95,065)

Changes in the present value of defined benefit obligations are as follows:	For the Period 31 st March 2014	For the Period 31 st March 2013
	Rs.	Rs.
Obligations at period beginning	10,37,414	8,15,035
Service Cost	92,665	80,827
Interest on Defined benefit obligation	82,993	65,203
Benefits settled	-	-
Actuarial (gains)/losses	1,28,851	76,349
Obligations at period end	13,41,923	10,37,414

Defined benefit obligation liability as at the balance sheet is wholly funded by the company

Changes in planned assets	For the Period 31 st March 2014	For the Period 31 st March 2013
	Rs.	Rs.
Plans assets at period beginning, at fair value	9,42,349	6,00,327
Expected return on planned assets	92,626	70,940
Actuarial gains/(losses)	-	-
Contributions by the Employer	1,58,308	2,71,082
Benefits settled	-	-
Plans assets at period end, at fair value	11,93,283	9,42,349

Assumptions

Discount factor	8.00%	8.00%
Estimated rate of return on planned assets	8.00%	8.00%
Salary increase	5.00%	8.00%
Attrition rate	1-3%	1-3%

b. Leave Encashment:

Employee entitlement to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability on actuarial basis for annual leave as a result of services rendered by employees to the Balance Sheet date. Provision for Leave encashment as at the Balance Sheet date is Rs.7,40,399/-

A.4. Disclosure Pursuant to Accounting Standard-18: "Related Party Transactions"

List of related party and relationship:

a) Key Management Personnel

1. S.Visakan – Managing Director

b) Related Party Transactions:

Particulars	2013-14 (Rs.)	2012-13 (Rs.)
	Key Management Personnel	Key Management Personnel
Directors Remuneration	7,21,325/-	9,35,962/-
Medical Reimbursement	22,545/-	38,545/-



A.5. Disclosure Pursuant to Accounting Standard-20: "Earnings per Share"

Particulars	As at 31.03.2014	As at 31.03.2013
Surplus/(Deficit) after tax (Rs.)	27,48,16,530	21,66,96,399
Weighted average number of shares	100	100
Basic & Diluted Earnings Per Share (Rs.)	27,48,165	21,66,964
Face Value per share (Rs.)	1,000	1,000

A.6. Impairment of Assets: (AS-28)

The Management, after carrying out necessary exercise of determining impairment as per Accounting Standard (AS 28) on 'Impairment of Assets', issued by the Institute of Chartered Accountants of India (ICAI), is of the opinion that there is no impairment of assets requiring adjustment in the carrying amount, of assets shown in the books of the company.

A.7. Contingent Liability:

Claims against the company not acknowledged as debts:

a) CPWD vs. CCCL

As per the construction agreement with CPWD, the company has to meet the liability arising out of any litigation in the course of execution of the contract. There was a litigation between CPWD and Consolidated Construction Consortium Limited (CCCL), the contractor engaged by CPWD for the construction of convention center-Phase II. There was an award in the arbitration between the parties and based on the subsequent development, the company is contingently liable for Rs.80,08,020/- including interest @ 10% on Rs.63,75,651/- from the date of award to the date of actual payment in full and final settlement. However, CPWD has filed a petition in the Hon'ble High Court of Madras challenging the award and the matter is subjudice. It is informed by CPWD that the above said case is still pending with Hon'ble High Court of Madras.

b) Service Tax

The Additional Commissioner of Service Tax, Chennai have issued an order No. 115/2013 dated 17.12.2013 for Rs.19,53,359/- against the show cause notice No.456/2011 dated 13.10.2011 and for Rs.6,50,925/- against the Show notice No.07/2013 dated 17.01.2013 towards service tax on the share of income from sale of ticket for the period from 2006-07 to 2010-11 and 2011-12 respectively. Further, the Additional Commissioner of Service tax has issued Demand No.07/2014 dated 25.03.2014 for Rs.1,67,704/- for the period from April 2012 to June 2012. It is proposed to contest against the above order and demand in consultation with legal counsel shortly by TNTPO. In this regard, the Company is contingently liable for Rs.27,71,988/- (i.e. totaling or Rs.19,53,359 + Rs.6,50,925 + Rs.1,67,704).

c) Income Tax

The Chief Commissioner of Income Tax, Chennai-III had withdrawn the Income Tax Exemption issued under section 10 (23) (C) (IV) of the Income Tax Act from the Assessment year 2009-10 and onwards on the grounds that the Company is engaged in activities of trade, Commerce or business or rendering

services in relation to trade, commerce or business as per the amended proviso of Section 2(15) of the income Tax Act with effect from 01.04.2008, in spite of the Company retaining its basic character of charitable organization, having registration u/s 25 of the Companies Act 1956 and functioning without any charge since inception in its character of working as well as source of income.

Consequently, the Assessing Officer has raised demands for the years 2009-10, 2010-11 and 2011-12. The demands rose by the Assessing Officers and Tax deposited by the Company under protest are furnished below:-

S.No.	Particulars	2006-07 (Rs.)	2009-10 (Rs.)	2010-11 (Rs.)	2011-12 (Rs.)
1	Total Demand	1,49,46,663/-	4,75,98,321	3,53,26,669	5,85,56,160
2	(-) TDS considered as tax refund	-	24,12,663	*1,02,34,098	2,53,874
3	Balance Tax payable-(A)	1,49,46,663/-	4,51,85,658	2,50,92,571	5,83,02,286
4	Tax deposit under protest by the Company	74,73,332/-	*25,00,000	*27,53,647	*2,92,78,080
	Bank attachment by department (Rs.3,97,07,342)		*2,70,32,510	*1,26,74,832	
	Total (B)	74,73,332/-	2,95,32,510	1,54,28,479	2,92,78,080
5	Balance payable (A)-(B)	74,73,331/-	1,56,53,148	96,64,092	2,90,24,206

During the year, the Company has made the payment of Income Tax after the adjustment of Tax refunds to the tune of *Rs. 8,44,73,167/- pertaining to AY 2009-10, 2010-11, 2011-12 and advance tax of Rs. 1,25,00,000/- was deposited for the AY 2014-15 under protest totaling Rs. 9,69,73,167/- which has been shown as "Deposit Income Tax Account" under other Current Assets (Note-O). Besides the Company has unadjusted tax refund to the tune of Rs. 2,48,86,250/- for the year 2013-14 as per the book of accounts.

The balance amount payable for the AY 2009-10 is Rs.1,56,53,148/- and for AY 2010-11 is Rs.96,64,092/- For the AY 2011-12, the balance 50% has been stayed till the disposal of appeal or 30.09.2014 whichever is earlier. Subsequently, the Company has made appeals before the Commissioner of Income Tax (Appeals) for the AY 2009-10 to 2011-12 and the Commissioner has dismissed the above appeals, vide his order No. ITA NO.340, 275 & 1231/13-14 dated 30.06.2014. It is proposed to appeal for the AY 2009-10 to 2011-12 before the Income Tax Appellate Tribunal by TNTPO in consultation with the Tax Auditors and Legal Counsels.

Further, the Deputy Director of Income Tax (Exemption - IV), Chennai has reopened the assessment order already issued for the AY 2006-07 u/s 148 as there was escapement of Income and issued demand notice for Rs.1,49,46,663/- Against the above demand, an amount of Rs. 74,73,332/- was deposited under protest on 29.05.2014 towards 50% of demand for the AY 2006-07.

As resolved by the Board in its 42nd Board Meeting held on 08.08.2013, accounting treatment of the tax liability in the books of accounts of TNTPO has to be in line with holding company (ITPO) which has filed a writ petition challenging the provision of section 2 (15) of the Income Tax Act 1961, in the Hon'ble High Court of New Delhi.



As such, TNTPO is also following the action of holding company and writs have been filed in the Hon'ble High Court Madras and the matter is subjudice in the High Court of Madras. TNTPO is hopeful of getting a favorable decision, no provision for the Income Tax demands for the AY 2006-07, 2009-10, 2010-11 and 2011-12 have been made in the books of accounts, however the Company is contingently liable for the above demands as per the total of Sl. No.5 which comes to Rs. 6,18,14,777/-

d) Payment to Engineering Consultant

TNTPO has appointed M/s. Taamaesek Engineering Consortium, Chennai as Engineering Consultant for the expansion of Chennai Trade Centre vide this office work order No. TNTPO/Engg-465/210/D No.714 dated 18.11.2010. M/s. Taamaesek Engineering Consortium, Chennai has claimed a sum of Rs. 44,75,000/- vide his bill dated 03.05.2012 towards payment to various vendors work and in house works done by the consultant to conceptualize, design, presentation made at various meetings, etc., which is yet to acknowledge by the Company. Hence, the Company is contingently liable for the above unacknowledged debt of Rs.44,75,000/- to M/s. Taamaesek Engineering Consortium, Chennai.

A.8 (a) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31st March 2014 are as follows:

- | | | |
|----|---|--------------|
| 1. | Replacement of new screw chillers of 2 Nos. of 300 TR in Hall-1 & 2 | Rs.179 lakhs |
| 2. | Replacement of new carpet tiles in Convention Centre Main hall | Rs. 26 lakhs |

b) Lease

As per MOU signed between India Trade Promotion Organisation (ITPO) and Tamilnadu Industrial Development Corporation Ltd. (TIDCO) dated 13.11.2000, TIDCO had to provide land and meet land development expenses and ITPO had to construct the Exhibition Centre. Land measuring 25.48 acres was allotted by Government of Tamil Nadu vide G.O.Ms.No.568, Revenue (LA (2)) Department dated 6.11.2000. A subsequent G.O. Ms.No.28 dated 03.02.2003 has been received according to which TNTPO has to pay a lease rent of Rs. 100 Lacs per year from 2001-02 to the Government of Tamilnadu through TIDCO for the land handed over to TNTPO on a long lease of thirty years.

In 31st Board meeting of TNTPO held on 25.03.2010, the Board confirmed the minutes of 30th Board meeting of TNTPO that against arrears of lease rent of Rs.9.00 crores for the period from 2001-02 to 2009-10 as per claims of TIDCO payments can be made pending resolution of issues connected with the original arrangements for land.

As per the above decision of the Board, provision of lease rent of Rs.1.00 crore for the year 2013-14 has been debited as lease rent on land and shown as Other Expenses (Note-S) and the total provision of Rs.13.00 crores due from the year 2001-02 to 2013-14 has been accounted as expenses payable under other Current Liabilities (Note-G)/

c) Loan from Promoters

Pending finality on the issue of treating the amount spent by promoters viz., ITPO & TIDCO towards the capital expenditure, the same has been considered as non-interest bearing "Long Term Borrowings" and shown as Non-Current Liabilities in Note-D as depicted in the previous year Balance Sheet. Necessary adjustments will be made in the books as and when a decision is arrived at.

- A.9** According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the company has no dues to Micro and Small Enterprises under the said act as at 31st March 2014.
- A10.** Sundry Debtors include debts due from the companies in which the directors of TNTPO are interested as Directors:

	2013-14 (Rs.)	2012-13 (Rs.)
Indian Trade Promotion Organisation (Holding Company)	1,00,32,942	90,15,047
Tamilnadu Industrial Development Corporation Ltd (TIDCO)	38,35,655	44,47,455

- A11.** The third party balances as at 31st March 2014 are subject to confirmation/reconciliation.
- A12.** Previous Year's figures are regrouped or reclassified wherever necessary.

Sd/-
M.K.N. Kumaar
Manager (Accounts)

Sd/-
S.Visakan
Managing Director

Sd/-
R.K.Singh
Director

As per our report of even date
For M/s. K. Gopinath & Co
Chartered Accountants
(FRN:- 984S)

Sd/-
K. Gopinath
Proprietor
M.No.23166

Place: Chennai
Date : 30.07.2014



TaMILnadU Trade
PrOMOTION OrGanISaTION

To,
The Members of
TAMILNADU TRADE PROMOTION ORGANISATION
Chennai,

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **TAMILNADU TRADE PROMOTION ORGANISATION**, which comprise the Balance Sheet as at March 31, 2014, Income and Expenditure Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Reply of The Board

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- a) Referring to Note A.7 (c) to the Accounts regarding non-provision for Income Tax to the tune of Rs.26.67 Crores for Assessment Year 2009-10 to 2013-14, Rs.5.52 Crores for the Assessment Year 2014-15 and Deferred Tax liability of Rs.24.33 Crores for which in our opinion a provision should be made as per Accounting Standards on provisions, Contingent Liabilities and Contingent Assets (AS-29). Consequent to such non-provision, current year's surplus in Income and Expenditure Account is overstated by Rs.56.52 Crores and in the Balance Sheet, Reserves and Surplus overstated by Rs.56.52 Crores, Long Term Provisions (Deferred Tax Liability) understated by Rs.24.33 Crores.

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

"It is clarified that the Company has filed writ petitions in the Hon'ble High Court of Madras, challenging the provisions of Section 2 (15) of the Income Tax Act and withdrawal of exemption granted u/s 10 (23C) (iv) of the Income Tax Act, 1961. As the Company is hopeful of defending its cases, no provision for Income Tax liability has been made in the Annual Accounts for the year 2013-14. Position in this regard has been suitably disclosed in the notes forming part of financial statements for the year ended 31st March, 2014 vide Accounting Policy A (k) and A.7 (c) in the Annual Accounts".



**TaMILnadU Trade
PrOMOTION OrGanISaTION**

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii) In the case of the Income and Expenditure Account, of the surplus for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

The Company is licensed to operate under section 25 of the Companies Act, 1956. Accordingly, the disclosure required under the Companies (Auditor's Report) Order, 2003 is not applicable.

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account. In our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement comply with the Accounting Standards.
- d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view of the conformity with the accounting principles generally accepted in India subject to
 - i) The company has not complied with Accounting Standards on Accounting for taxes on Income (AS-22) and provisions, Contingent Liabilities and Contingent Assets (AS-29) with respect to tax liability as stated above in para "opinion".

- ii) Note A.8 (c) of the Accounts regarding the amount spent by the Promoters viz., ITPO and TIDCO towards capital expenditure which are accounted as Non-interest bearing "Long Term Borrowings" and shown as Non-Current Liabilities pending decisions and finality on this matter by the promoters.
- iii) Note A.11 regards confirmation of third parties balances.
- e) As per Circular No.2/5/2001 – CLV – General Circular No.8/2002 issued by the Ministry of Law, Justice and Company Affairs, Department of Company Affairs, the provision of Section 274 (1)(g) of the Companies Act, 1956 relating to disqualification of Directors are not applicable, being a Government Company.
- f) Since the Central Government has not issued any Notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For K. Gopinath & Co,
Chartered Accountants
Reg. No.0984S

Sd/-
K.Gopinath
Proprietor
M.No. 023166

For and on the behalf of the Board of Directors

Sd/-
(S. Visakan)
Managing Director
TNTPO

Place: Chennai
Date: 30.07.2014



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VOLUNTARY SECRETARIAL COMPLIANCE REPORT

Name of the Company : Tamil Nadu Trade Promotion Organisation

Corporate Identity Number	:	U91120TN2000NPL046140
Authorised Share Capital	:	Rs. 50,00,000/-
Paid-up Capital	:	Rs. 1,00,000/-

To
The Managing Director
Tamil Nadu Trade Promotion Organisation,
"Chennai Trade Centre".
No. 6A. 6B. 6C,
Mount-Poonamalle High Road,
Nandambakkam,
Chennai - 600 089.

I have examined the registers, records, books and papers of Tamilnadu Trade Promotion Organisation as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In my opinion and to the best of information and according to the examinations carried out by me, based on the records, documents and registers produced to me and information and explanations provided to me by the Company, its officers and agents, I certify that in respect of the aforesaid year:

1. The Company, has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and certain entries need to be recorded/ updated in the registers.
2. The Company has filed forms and returns with the Registrar of Companies during the period under review as stated in Annexure "B".
3. The Company is a Private Limited Government Company, which has been issued a license under section 25 of the Act for dispensing with the words Private Limited as a part of its name and has the minimum prescribed paid-up capital.
4. The Board of Directors have met 2 (Two) times on 07/06/2013 and 08/08/2013 in accordance with the provisions of the Companies Act, 1956 in respect of which meetings notice were given and the proceedings were recorded and signed, including circular resolutions passed in the minutes book maintained for the purpose.
5. The Company did not opt to close its Register of Members during the year under scrutiny
6. The annual general meeting for the financial year ended on 31/03/2013 was held on 21/10/2013 after obtaining approval from the central government for extension of time to hold the Annual General Meeting (SRN: B85158558 dated 24/09/2013) and after giving notice to the Members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the year under scrutiny.
8. The Company being a Private Limited Company, the provisions of Section 295 is not applicable.

9. The provisions of Section 297(1) is not applicable to the Company vide Notification No.GSR 233, dated January 31, 1978.
10. As per the information provided to me there are no contracts required to be entered in the register maintained under Section 301 of the Act.
11. As per the information provided to me, there were no instances falling within the purview of Section 314 of the Act, and the Company was not required to obtain any approvals from the Board of Directors, Members or Central Government.
12. As per the information provided to me, no duplicate share certificate has been issued during the period under audit.
 - (i) There were no requests for transfer of shares during the period of audit.
 - (ii) The Company being a Section 25 Company cannot declare dividend to its members.
 - (iii) There are no application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and therefore, the question of transferring such amounts to Investors Education and Protection Fund does not arise.
 - (iv) The Company has generally complied with the requirements of section 217 of the Act.
13. With respect to the constitution of the Board of Directors of the company my comments are as follows:

The Company has accepted the resignation of Directors of Mr. Hans Raj Verma, IAS and Mr. P. C. Sharma and however, the company yet to file eforms pertaining to the cessation of the above said Directors.
14. Since, the Company is a Government Company, the provisions of sections 255, 256 and 257 do not apply to the Company and hence none of-the directors are liable to retire by rotation. The Company does not have any Director in excess of nominees of ITPO and TIDCO, who are liable to retire by rotation pursuant to Article 111 (vi) of the Company.
15. By GSR Notification No. 235 dated 31.01.1978, sections relating to appointment and remuneration of Managing Director/Whole Time Director/Manager are not applicable to the Company.
16. Section 294 relating to appointment of sole selling agent is not applicable to the company.
17. The Company has obtained the approval of the Central Government: seeking extension of time for holding the Annual General Meeting for the Financial Year ended 31st March, 2013, under Section 166 of the Companies Act, 1956. Apart from the above, as per the information provided to me, the Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies or any other related authority under the Act.
18. The Company has not issued shares and debentures during the period of audit.
19. The Company has not bought back any shares during the period of audit.
20. The Company has not issued any preference shares/debentures during the period under scrutiny or earlier and therefore the question of redeeming any preference shares/debentures does not arise.



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21. Since, the Company is a Section 25 Company and does not declare any dividend; the question of keeping in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares does not arise.
22. The Company has not accepted deposits from the public and the question of complying with the provisions of Sections 58A & 58AA does not arise.
23. Being a Private Company the provisions of Section 293(1) (d) of the Act are not applicable to the Company.
24. Being a Private Limited Company the provisions of Section 372A of the Act, are not applicable to the Company.
25. The company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the period under scrutiny.
26. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the period under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to name of the Company during the period under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the period under scrutiny.
29. The Company has not altered its articles of association during the period under scrutiny.
30. I have been informed that no prosecution has been initiated against or show cause notices received by the Company during the financial year.
31. The Company has not received any money as security from its employees during the financial year.
32. The provisions of section 418 of the Act are not applicable to the Company during the year under review.

Place : Chennai

Date : 22.07.2014

Forms part of the Voluntary Secretarial Compliance Report dated 22.7.2014 issued to
Tamilnadu Trade Promotion Organisation

Annexure A

Registers as maintained by the Company

1. Share application and allotment register.
2. Register of Members.
3. Register of Share Transfer.
4. Register of Directors, Managing Directors.
5. Register of Directors' Share holdings and Debenture holdings.
6. Register of Charges and Mortgages.
7. Register of Contracts in which Directors are interested.

Sd/-

B. Sankaranarayanan

C.P. No.: 8301

Place : Chennai
Date : 22.07.2014

Forms part of the Voluntary Secretarial Compliance Report dated 22/07/2014 issued to
Tamilnadu Trade Promotion Organisation.

Annexure B

Forms and Returns have tiled by the Company with the Registrar of Companies, Regional Director,
Ccncral Government or other authorities during the financial year 0 1/04/20 13 to 31 /03/2014.

1. Form-2CIB Filed on 0411 2/20 1 3 - SRN: Q26627885
2. Form-23AC & 23ACA Filed on 2311 112013 - SRN: Q24633273.
3. Form-61 Filcd on 24/09/2013 - SRN: B85158558.
4. Form-32 Filed on 23/09/2013 - SRN: B85072 171.
5. Form-32 Filed on 23/09/2013 - SRN: B85079416.
6. Form-32 Filed on 23/09/2013 - SRK: B85079788.
7. Form-32 Filed on 22/11/2013 - SRIU: B89709711.
8. Form-32 Filed on 10/01/2014 - SRIV: B93494201

Sd/-

B. Sankaranarayanan

C.P. No.: 8301

Place : Chennai
Date : 22.07.2014



TaMILnadU Trade
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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF TAMILNADU TRADE PROMOTION ORGANISATION; CHENNAI FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of **Tamilnadu Trade Promotion Organisation Chennai for the year ended 31 March 2014** in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 04.08.2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditor on the accounts of Tamilnadu Trade Promotion Organisation, Chennai for the year ended 31 March 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

**For and on the behalf of the
Comptroller and Auditor General of India**

Sd/-

(G. Sudharmini)

**Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Chennai**

Place : Chennai

Date : August 22, 2014

KARNATAKA TRADE PROMOTION ORGANISATION**(A SEC, 25 COMPANY)****DIRECTORS' REPORT**

Your Directors present Thirteenth Annual Report on the working of the company together with the Audited Accounts for the period 01.04.2013 to 31.03.2014.

OPERATIONS:

The 13th Financial Statements of the company covering transactions from 01-04-2013 to 31-03-2014 consists of expenditure towards A/C maintenance, phones, Security and Housekeeping facilities management services, water consumption and power consumption charges, Salaries of Managing Director and General Manager (Operation & Maintenance) and miscellaneous expenses. The total operating income during the year was Rs.8.24 Crores as compared to Rs. 8.68 Crores in the previous year. The slight fall in income is due to the fact that the company had not accepted any bookings for first quarter (1-04-2013 to 30-06-2013) on account of closure of centre for maintenance and repair works by CPWD. The total expenditure during the year was Rs.3.59 Crores (including depreciation of Rs. 0.88 Crores and 0.84 crores towards maintenance repair works by CPWD) as compared to Rs. 2.95 Crores in the previous year (which includes Rs. 0.99 crores towards depreciation). The company has earned an interest of Rs. 2.42 Crores on the deposits kept in Nationalized Banks viz: Corporation Bank, State Bank of Mysore, Oriental Bank of Commerce, Bank of Baroda and Vijaya Bank against Rs.1.99 Crores in the previous year. The company recorded a cumulative surplus of Rs.19.22 Crores before taxes during 2013-14 compared to Rs. 14.58 Crores in the previous year.

IMPROVED PERFORMANCE:

During the period from 01-04-2013 to 31-3-2014 in all 31 Events / Exhibitions/Conferences etc. were held as third party events and a Rental Income of Rs.4.11 Crores has been earned. The occupation of the Centre stood at 131 days despite closure of Centre for operations for three months for

Maintenance and Repair works by CPWD and the repair works are still in progress.

The important activities that took place include events of SAP Labs India Pvt. Ltd, Aditya Birla Nuvo Ltd., Aahar 2013 by ITPO, M/s Dalmia Bharath Cement Ltd., Microsoft India Pvt Ltd., M/s Expo India Exhibitions Pvt.Ltd., M/s Volvo India Pvt. Ltd.. and other Corporate Annual Day Events etc.

FIXED DEPOSITS:

The company has not accepted any deposits from public.

DIRECTORS:

During the year Mrs. Rita Menon, IAS, Mr. Malay Shrivastava, IAS, Mr. M.N. Vidya Shankar, IAS, Smt. Vanditha Sharma, IAS, Dr. Rajkumar Khatri, IAS, Mr. M.B.Dyaberi, IAS, Mr. Maheshwar Rao, IAS, Sri. Chakravathi Mohan, IAS, Mr. Arun Chandra and Mr. Sunil Kumar Sharma were Directors and Mr. C. Veerabhadraiah is the Managing Director.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors would like to inform the members that the audited accounts containing the financial statements for the year 2013-14 are in full conformity with the requirement of the Act and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the company's financial condition and results of operations. The financial statements are audited by the Statutory Auditors appointed by C&AG M/s. M.K.Bhansali & Co., Chartered Accountants, Bangalore.

Your Directors further confirm that: -

- (i) In the preparation of the annual accounts, applicable accounting standards have been followed.
- (ii) The accounting policies are consistently



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PROMOTION ORGANISATION**

applied and reasonable prudent, judgement and estimates are made so as to give true and fair view of the state of affairs of the company at the end of the financial year.

- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts as "on going concern basis."

INFORMATION UNDER SECTION 217(1)(e) AND SECTION 217(2A):

The information under section 217(1)(e) in respect of the information to be furnished on Technology Absorption, and Energy Conservation is NIL and in respect of Foreign Exchange outgo is NIL. The information under section 217(2) (a) is also NIL as there are no employees drawing remuneration of Rs. 2,00,000/- per month and above.

SECRETARIAL COMPLIANCE CERTIFICATE:

Pursuant to proviso to Sec.383A of the Companies Act, 1956, the company has obtained a Secretarial Compliance Certificate for the year 2013-2014 as prescribed in the Companies (Compliance Certificate) Rules, 2001 from a Practicing Company Secretary and the same is annexed to the Directors Report.

AUDITORS:

In accordance with the Section 619 read with Section 22(8)(aa) of the Companies Act, 1956 the remuneration to the Auditors is to be fixed by the company in Annual General Meeting to be conducted on or before 30.09.2014.

COMMENTS OF THE C&AG OF INDIA:

The Nil comments made by The Principal Director of Commercial Audit & Ex-Officio Member, Audit Board on behalf C&AG of India in their Letter No.PDCA/Hyd/A/cDesk/KTPO/2013-14/1.51/168 dated 16-07-2014 has been enclosed by way of addendum to the Directors Report.

ACKNOWLEDGEMENTS:

Your Directors place on record their thanks and appreciation to the Ministry of Commerce, Government of India, DPE, Govt of India, Commerce and Industries Dept., Government of Karnataka, KIADB and sincere efforts of Managing Director-KTPO, Officers and employees of ITPO / KTPO, Chairperson and Directors for their support and co-operation extended to the Company.

FOR AND ON BEHALF OF THE BOARD

Sd/-

(Mrs. RITA MENON)
CHAIRPERSON, KTPO

Place: Bangalore
Date: 25.06.2014

COMPLIANCE CERTIFICATE

The Members,
Karnataka Trade Promotion Organisation,
(A section 25 company)
Plot No.121, EPIP Industrial Area,
Whitefield,
BANGALORE – 560 066.

In connection with issue of a **SECRETARIAL COMPLIANCE CERTIFICATE** pursuant to Sec.383A proviso of the Companies Act 1956 (as amended), I wish to state as under:

- A) **KARNATAKA TREADE PROMOTION ORGANISATION** was incorporated under the Companies Act, 1956 vide Certification of Incorporation **No.08/U92490KA2000NPL028328 dated 06.12.2000** issued by the Registrar of Companies, Karnataka. **The company is a Sec. 25 company and has obtained license from the Regional Director, Department of Company Affairs Chennai No.2/B 8008/2000 dated 23.10.2000.**
- B) I have verified the records maintained by the company under the provisions of the Companies Act 1956 from **01.04.2013 to 31.03.2014** and certify that the company has complied with the various provisions of the said Act properly.
- C) The Authorised Capital of the Company which was **Rs.50,00,000/- (Rupees Fifty Lakhs)** divided into 5000 **(Five Thousand)** Equity Shares of **Rs. 1,000/- (Rupees One thousand)** each was increased in the **EGM** held on **31.03.2004** to **Rs. 20,00,00,000/- (Rupees Twenty crores)** divided in to 2,00,000 (Two Lakhs) Equity shares of **Rs. 1,000 (Rupees One thousand)** each. The Issued, subscribed and Paid up Capital of the Company is **Rs. 50,00,000/- (Rupees Fifty Lakhs)** divided into 5,000 (Five Thousand) Equity Shares of **Rs.1000/- (Rupees One Thousand)** each. The entire share capital is held by **India Trade promotion Organization (ITPO)** – a Govt. of India Undertaking and **Karnataka Industrial Areas Development Board (KIADB)** a Karnataka Government undertaking.

I have examined the registers, records, books and papers of **KARNATAKA TRADE PROMOTION ORGANISATION** (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the period from **01.04.2013 to 31.03.2014**.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:-

01. MAINTENANCE OF REGISTERS

The Company has maintained the Registers that are to be maintained by a Limited company under the Companies Act, 1956.



STATUTORY REGISTERS.

S.No	Name of the Register	Ref to sec.	Remarks
01	Register of Investments in shares or securities not held in company's name	49(7) & (8)	Maintained. The company has not made any investment in shares or securities and hence no entries are made.
02	Register of Deposits Return of deposits filed with ROC	58A Companies acceptance Deposits Rules 1975	Maintained. No entries are made in the said register as the company has not accepted any public deposits.
03	Register of Buyback of shares	77A	Maintained. No entries are made as there was no buy back of shares.
04	Register of shareholders of differential rights and index of members with differential rights.	86 and Co. issue of share certificates with differential voting rights Rules 2001	The company has not any shares with differential rights.
05	Copy of every instrument creating any charge requiring registration	136	The company has not created any charges.
06	Register of charges made Copies of instruments creating charge	143(1)	Maintained. No entries are made in the register in view of remarks at Sl.No.05 above
07	Register of members	150(1)	Maintained. Proper and requisite entries are made in the said register.
08	Register of Index of members if members exceeds fifty	151(1)	Maintained.
09	Register of Debenture holders	152(1)	Maintained and no entries are made as the company has not issued any debentures.
10	Register of Index of debenture holders company in case the company is having more than fifty debenture holders.	152(2)	Not maintained as the has not issued any Debentures.

S.No	Name of the Register	Ref to sec.	Remarks
11	Register and index of beneficial owners (members and debenture holders maintained by depository.	152 A	The company has not issued any shares under Demat form
12	Foreign Register of members and debenture holders	157(1) 158	The company has not opted to keep a foreign Register of members, as there are no foreign members.
13	Copies of annual returns prepared under Sec. 159/160 together with copies of certificates and documents required to be annexed thereto under sec. 160 and 161.	163(1)	Maintained Copies of Annual Return filed U/s. 159 together with enclosures are kept at Registered Office.
14	Minute Books of Board meetings and Committees	193(1)	Maintained Up to date entries are made.
15	Minute Books of proceedings of	193(1)	The company has kept the & 196(1) minutes of the general meetings in Register form.
16	Books of accounts and the other Cost records etc.	209(1)	Maintained. The Act has not prescribed any cost audit in respect of the business of the Company.
17	Register of contracts with directors companies and firms in which Directors are interested.	301(1)/(5)	The company has not entered into contract which falls under the purview of Sec 297/299 and Hence no entries are made
18	Register of Managing Directors, Manager, secretary and Directors	303(1)/304(1)	Maintained.
19.	Register of Directors shareholdings	307(1)/(5)	Maintained.
20	Register of Investments or loans	372A	Maintained.
21.	Place of keeping and inspection of	163	The registers are kept at the Reg Office at Plot No.121 EPIP Indl. Area Whitefield Bangalore-560 066



NON STATUTORY REGISTERS

S.No.	Name of the Register	Ref to sec.	Remarks
01	Director's Attendance Register	Reg 71 of Table.A	The signatures of the directors attending the meetings are obtained in Register.
02.	Register of share transfers		Maintained
03.	Register of duplicate share certificates	Rule 7 of Issue of Share certificate Rules 1960	The Company has not issued Any duplicate share certificates
04	Share application and allotment book	Sec 75	Maintained.
05	Share warrants		The company has not issued any share warrants.
06	Register of beneficial interest	187(C)	Not applicable as the company is a Govt. Co.
07	Register of legal representation such As Probates, letters of administration and succession certificates		Not Maintained as no such occasion has arise.
08	Register of Fixed assets	CARO	Maintained

02. FILING OF RETURNS

During the year under report, the Company has filled returns and forms that are to be filed under various sections with Registrar of Companies.

03. ADEQUACY OF CAPITAL AND MINIMUM NUMBER OF MEMBERS Sec 3(i)

Not applicable

04. BOARD MEETINGS. Sec 285, 286, 287, 288 and 289

The Company has duly complied with the provisions of section 285, 286, 287, 288 and 289 of the Companies Act. The Company has held board meetings during the year (01.04.2013-31.03.2014) under report as under:

S.No	Dates	No of Meetings in a year
01	18.07.2013	TWO BOARD MEETINGS
02	26.02.2014	

PS: The Company is a Sec.25 company and by virtue of notification No.SO-1578 dated 01.07.1961, the company can hold a Board meeting once in six months as sec.285 do not apply to the company.

5. CLOSURE OF REGISTER OF MEMBERS. Sec154

The company has not closed the Register of members during the year under report.

6. ANNUAL GENERAL MEETINGS: Sec 166 171, 172(1) (2) and (3) and 210

The company has held Annual General Meeting on 27.09.2013 at the Registered Office and has complied with the provisions of Sec. 166 and 210 of the Companies Act relating to holding of the AGM

7. EXTRAORDINARY GENERAL MEETINGS: Sec 169

During the year the company has not held any EGM

8. LOANS TO DIRECTORS Sec 295

The company has not given any Loans to Directors.

9. CONTRACTS IN WHICH DIRECTORS ARE INTERESTED: Sec 297

The company has not entered into any contracts in which directors are interested and falling under sec. Sec 297.

10. MAINTENANCE OF REGISTER OF CONTRACTS: Sec 301

Maintained, but no entries are made as there are no cases to whom sub-sec. (1) & (3) of Sec.297 applies (Notification NO.SO 1578 dated 01.07.1961)

11. APPROVALS: Sec314

Passing of resolutions or obtaining approvals under section 314 do not apply to the company as no director or relative of director has been appointed to the Office or place of profit.

12. ISSUE OF DUPLICATE SHARE CERTIFICATES: The Companies (Issue of Share Certificates) Rules 1960

The company has not issued any duplicate share certificates.

13. (A) DELIVERY OF SHARE CERTIFICATES: Sec 113

During the year company has not made allotment of shares.

(B) DEPOSIT OF DIVIDEND AMOUNT, POSTING OF DIVIDEND WARRANTS, TRANSFER OF UNPAID DIVIDEND TO INVESTORS EDUCATION AND PROTECTION FUND: Sec 205.

The company being a Section 25 company, cannot declare dividend nor distribute the profits and therefore reporting under this compliance does not arise.

(C) MEETING THE REQUIREMENTS OF SEC.217 REGARDING DIRECTORS REPORT: Sec 217

During the year the company has complied with the provision of sec.217 relating to Directors report for the year 2012-2013.



14. APPOINTMENT OF DIRECTORS Articles of Association Sec 252

During the year under report the following changes have taken place in the appointment and cessation of directors and the present directors are

Name of the Director	Date of Appmt.	Date of ceasing	Remarks/DIN No.
1. Mr. C Veerabhadraiah	08.02.2011	-	Managing Director/03444193
2. Mr. M Maheswara Rao	10.11.2011	-	Director/00324069
3. Ms Rita Menon	03.01.2012	-	Director/00543058
4. Mr. Rajkumar Khatri	10.01.2012	17.09.2013	Director/00540983
5. Mr. Sunil Kumar Sharma	03.02.2012	-	Nominee Director/05210126
6. Mr. M B Dyaberi	17.03.2012	17.09.2013	Nominee Director/02474471
7. Mr. M. N. Vidya Shankar	21.06.2012	25.02.2014	Director/01023267
8. Mr. Malay Shrivastava	18.03.2013	-	Nominee Director/03613917
9. Mr. Arun Chandra	05.05.2013	-	Nominee Director/06595052
10. Mr. Chakravarthy Mohan	17.09.2013	-	Nominee Director/01825784
11. Mr. Vandita Sharma	17.09.2013	-	Nominee Director/02854972
12. Mr. Tushar Girinath	25.02.2014	-	Nominee Director/01880265

15. APPOINTMENT OF MANAGING DIRECTOR, WHOLETIME DIRECTOR, MANAGER: Articles of Association.

During the year under report the company has not appointed any Managing/Whole Time Director.

16. APPOINTMENT OF SOLE SELLING AGENTS: Sec 294A

The Company has not appointed selling agents.

17. APPROVAL REQUIRED BY VARIOUS AUTHORITIES

There was no events that required the approval by various authorities.

18. DISCLOSURE OF INTEREST BY DIRECTORS: Sec 299

The Company being a Section 25 Company the provisions of Sec.299 relating to disclosure of interest by directors apply only to cases to which Sub. Sec. (1) & (3) of Section 297 apply, vide Notn. No.SO/1578/01.07.1969. The company has not entered into any contract which falls under Sec.297 nor the provisions of Sub Section. (3) and therefore the question of disclosure by directors Under Section.299 does not arise.

19. ISSUE OF SHARE CERTIFICATES, DEBENTURES OTHER SECURITIES DURING THE FINANCIAL YEAR: Sec 113.

During the period under report, the company has not made any allotment of Equity Shares.

20. BUY BACK OF SHARES: Sec 77A

The Company has not bought back any shares during the year under report

21. REDEMPTION OF PREFERENCE SHARES AND DEBENTURES Sec 81

The Company has not issued Preference Shares and therefore reporting under this item does not arise.

22. KEEPING IN ABEYANCE RIGHTS TO DIVIDEND, RIGHT SHARES, BONUS SHARES, PENDING REGISTRATION OF TRANSFERS: Sec 206A.

There is no such event or occasion during the year under report.

23. ACCEPTANCE OF THE DEPOSITS: Sec 58A read with The Companies (Acceptance of Deposit Rules) 1960

The Company has not accepted any deposits from the public.

24. BORROWING BY THE COMPANY: Sec 292 AND 293(1) (d)

During the year under report the company has not borrowed monies from Bank or Financial institutions.

25. INTER-CORPORATE LOANS AND INVESTMENTS : Sec 372A

The company has not made any inter corporate loans and investments u/s372 A of the Companies Act, 1956.

26. ALTERATION OF MEMORANDUM – RELATING TO SHIFTING OF REGISTERED OFFICE FROM ONE STATE TO ANOTHER STATE Sec 17.

During the year the company has not altered its Memorandum of Association relating to clause II of Memorandum of Association.

27. ALTERATION OF OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION: Sec 17

During the years under report, the company has not made any amendments to objects of the Company.

28. CHANGE OF NAME OF THE COMPANY: Sec 21

During the year the company has not changed its name.

29. ALTERATION OF SHARE CAPITAL: Sec 94

During the year under report the company has not increased it Authorised Capital



KarnaTaKa Trade
PrOMOTION OrGanISaTION

30. ALTERATION OF ARTICLES OF ASSOCIATION: Sec 31

During the year under report the company has not made any amendments to Articles of Association.

31. PROSECUTIONS, FINES AND PENALTIES.

During the year under report as informed by the company, no prosecution have been launched nor the company has paid any fines or penalties.

32. EMPLOYEES SECURITIES: Sec 417

The company has not obtained any securities from Employees.

33. DEPOSIT OF PROVIDENT FUND Sec 418

The Provident Fund scheme is not applicable to the company.

34. GENERAL

This Certificate is issued based on the information that were made available at the time of verification and

- ✓ **Statutory Registers,**
- ✓ **Copies of E-forms filed,**
- ✓ **Board Meeting Minutes,**
- ✓ **General Meeting Minutes and**
- ✓ **Other relevant documents, Books etc.**

made available for inspection and clarifications furnished for queries raised by us for issue of the Secretarial Compliance Certificate for 2013-14.

Sd/-

Name: **MANGALA ROHITH**
Company Secretary:
ACS 20315 CP 7438

Date: 16th June, 2014

Place: Bangalore

COMPLIANCE CERTIFICATE**REGISTERS MAINTAINED BY THE COMPANY:**

S.No.	Name of the register	Sec.
01	Register of Investments Register of Investments in shares or securities not held in company's Name	49(7) & (8) 49
02	Register of Deposits Return of deposits filed with ROC	58A Companies Acceptance of Dep. Rules 1975
03	Register of Buyback of shares	77A
04	Register of Shareholders of differential rights and index of Members with differential rights	86 and Co. issue of share certificates with differential voting rights Rules 2001
05	Copy of every instrument creating any charge requiring registration	136
06	Register of charges Copies of instruments creating charge	143 (1)
07	Register of members	150 (1)
08	Copies of annual returns prepared under Sec. 159/160 together with copies of certificates and documents required to be annexed thereto under sec. 160 and 161.	163 (1)
09	Minute Books of Board meetings and Committees	193 (1)
10	Minute Books of proceedings of	193 (1)/196(1)
11	Books of accounts and the other Cost records etc.	209(1)
12	Register of contracts with directors companies and firms in which Directors are interested.	301(1)/ (5)
13	Register of Managing Directors, Manager, Secretary and Directors	303(1)/ 304(1)
14	Register of Directors shareholdings	307(1)/ (5)
15	Register of Investments of loans made	372A



ANNEXURE – B

**Forms and Returns as filed by the Company covering the period from 01.04.2013 to 31.03.2014.
With Registrar of Companies**

S.No.	Forms	Purpose	Challan
01	E-FORM 32	Appointment of Malay Shrivastava And Resignation of Asit Kumar Tripathy (Directors)	B71661136/01.04.2013
02	E-FORM 32	Appointment of Arun Chandra (Director)	B77172831/15.06.2013
03	E-FORM 32	Resignation of Anil Kumar Khanna (Director)	B78409455/01.07.2013
04	Annual Report E-FORM-23AC-ACA	U/s 220 for Balance Sheet 2013-14	Q16544231/24.10.2013
05	Secl. Compliance Certificate E-FORM-66	Proviso to Sec.383A of the Companies Act, 1956. 2013-14	Q16542110/24.10.2013
06	E-FORM 32	Appointment of Vandita Sharma (Director)	B87918447/28.10.2013
07	E-FORM 21 A	U/s160 of the Companies Act, 1956.	Q24269235/21.11.2013
08	E-FORM 32	Appointment of Chakravarthi Mohan (Nominee Director)	B93177665/07.01.2014
09	E-FORM 32	Appointment of Tushar Girinath And Resignation of M.N. Vidyashanker (Directors)	B98078884/08.03.2014

With Regional Director

Nil

With Central Government or other authorities

Nil

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	50,00,000.00	50,00,000.00
(b) Reserves and Surplus	4	19,22,13,001.55	14,57,97,881.84
(2) Share application money pending allotment	5	9,94,50,000.00	9,94,50,000.00
(3) Non-Current Liabilities Long-term borrowings			
Long-term borrowings	6	7,73,76,949.97	7,73,76,949.97
(4) Current Liabilities			
(a) Other current liabilities	7	2,40,92,148.97	2,77,24,905.97
(b) Short-term provisions	8	5,15,803.00	3,54,863.00
Total		39,86,47,903.49	35,57,04,600.78
II.Assets			
(1) Non-Current Assets			
Fixed assets			
Tangible assets	9	7,62,43,813.24	8,49,85,544.24
(2) Current Assets			
(a) Cash and cash equivalents	10	28,20,69,632.14	23,60,36,812.26
(b) Short-term loans and advances	11	2,79,03,000.85	2,38,87,706.51
(c) Other current assets	12	1,24,31,457.26	1,07,94,537.77
Total		39,86,47,903.49	35,57,04,600.78

Notes (including Accounting Policies) numbering 1 to 27 form part and parcel of financial statements.

For and on behalf of Board of Directors

Vide our report of even date

For M.K.BHANSALI & CO
Chartered Accountants
(Regn no.000446S)

Sd/
(C.Veerabhadraiah)
Managing Director

Sd/-
(M.Maheshwar Rao, IAS)
Director

Sd/
(Mahendra Kumar)
Proprietor
Membership No.027218

Place: Bangalore
Date:25-06-2014



KarnaTaKa Trade
PROMOTION ORGANISATION

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2014

(Amount In Rupees)

Particulars	Note No.	For the year ending 31.03.2014	For the year ending 31.03.2013
From Continuing Operations:			
INCOME:			
I Revenue from operations	13	4,80,23,028.00	6,68,69,838.00
II Other Income	14	3,43,56,934.86	2,00,17,049.93
III Total Revenue (I+II)		8,23,79,962.86	8,68,86,887.93
IV EXPENDITURE:			
Employee benefit expense	15	26,89,494.00	23,47,090.00
Finance Costs	16	37,079.00	14,861.00
Depreciation	9	88,43,816.00	98,57,930.00
Other expenses	17	2,43,94,454.15	1,73,04,404.57
Total Expenses		3,59,64,843.15	2,95,24,285.57
V Excess of Income over Expenditure (III-IV)		4,64,15,119.71	5,73,62,602.36
VI Tax expenses			
1) Current tax		-----	-----
2) Deferred tax		-----	-----
VII Income for the period (V-VI)		4,64,15,119.71	5,73,62,602.36
Earning per equity share			
1) Basic		9,283.02	11,472.52
2) Diluted		444.37	549.19

Notes (including Accounting Policies) numbering 1 to 27 form part and parcel of financial statements.

For and on behalf of Board of Directors

Vide our report of even date

For M.K.BHANSALI & CO
Chartered Accountants
(Regn no.000446S)

Sd/
(C.Veerabhadraiah)
Managing Director

Sd/-
(M.Maheshwar Rao, IAS)
Director

Sd/
(Mahendra Kumar)
Proprietor
Membership No.027218

Place: Bangalore
Date:25-06-2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

(Amount In Rupees)

Particulars	"For the year ending 31.03.2014"	"For the year ending 31.03.2013"
<u>A. Cash Flow from Operating Activities:</u>		
Excess of Income over Expenditure before tax from continuing operations	4,64,15,119.71	5,73,62,602.36
Non cash adjustments - Depreciation	88,43,816.00	98,57,930.00
Interest Income (on FD)	(2,41,89,365.36)	(1,99,25,940.93)
Operating Excess of Income over Expenditure before working capital changes	3,10,69,570.35	4,72,94,591.43
Changes in Working Capital		
Increase in other current liabilities	(36,32,757.00)	39,90,932.10
Increase in short term provisions	1,60,940.00	2,14,551.00
Decrease/Increase in short term loans & advances	(40,15,294.34)	(1,26,13,536.56)
Increase in other current assets	(16,36,919.49)	(17,47,942.00)
Net Cash Flow from Operating Activities	2,19,45,539.52	3,71,38,595.97
<u>B. Cash Flow from Investing Activities:</u>		
Purchase of Fixed Assets (Tangible)	(1,02,085.00)	(41,743.00)
Investment in Bank Deposits (Having original maturity of more than 3 months)	(4,57,28,000.00)	(5,68,55,596.00)
Interest received (on FD)	2,41,89,365.36	1,99,25,940.93
Net Cash Flow from Investing Activities	(2,16,40,719.64)	(3,69,71,398.07)
<u>C. Cash Flow from Financing Activities:</u>		
Net Cash Flow from Financing Activities		
01. Net increase(decrease) in cash & cash equivalents	3,04,819.88	1,67,197.90
02. Cash & cash equivalents at the beginning of the year	(1,57,187.74)	(3,24,385.64)
03. Cash & cash equivalents at the end of the year	1,47,632.14	(1,57,187.74)
Components of the Cash Equivalents - Closing Balances		
Cash In Hand	4,287.53	7,578.75
Balances in SB/Current Accounts	1,43,344.61	(1,64,766.49)
Total Cash Equivalents Note No. 10	1,47,632.14	(1,57,187.74)

For and on behalf of Board of Directors

Vide our report of even date
For M.K.BHANSALI & CO
Chartered Accountants
(Regn no.000446S)

Sd/
(C.Veerabhadraiah)
Managing Director

Sd/-
(M.Maheshwar Rao, IAS)
Director

Sd/
(Mahendra Kumar)
Proprietor
Membership No.027218

Place: Bangalore
Date:25-06-2014



KarnaTaKa Trade
PrOMOTION ORGaniSaTION

Notes to Financial Statements for the year ended 31.03.2014

1. Company's Profile

Karnataka Trade Promotion Organisation is a joint venture project of Government of India, Ministry of Commerce through India Trade Promotion Organisation (ITPO) and Government of Karnataka (through KIADB), incorporated as a section 25 company under Companies Act 1956, on 6th Dec. 2000. This joint venture company has authorized share capital of Rs. 20.00 crores shared in the ratio 51:49 between ITPO and Government of Karnataka through KIADB.

The main activities of the company is to organize / assist in organising national /international Exhibitions, seminars, conferences thereby promoting / creating platform for buyer seller meets, technology transfer for MSMEs so as to boost export potential for local Industries of Karnataka.

Being a section 25 company, the surplus generated by KTPO is completely utilized for purpose of maintenance, repairs of the exhibition halls and facilities thereon and for providing better service by reinvesting in the JV project and to create world class infrastructure for conducting trade and exhibitions.

2. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING/PREPERATION:

- i) The financial statements are prepared under the historical cost convention, on the basis of "on going concern" concept and as per applicable accounting standards. The Company follows mercantile system of accounting and recognizes Income and Expenditure on accrual basis.
- ii) Accounting policies, not specifically referred to, are consistent with generally accepted accounting principles. The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.
- iii) The financial statements are prepared in line with the Revised Schedule – VI of the Companies Act, 1956, vide Notification No.S.O 447(E) dated 28.02.2011.
- iv) Previous year's figures have been regrouped and recast wherever necessary

b) FIXED ASSETS:

Fixed Assets are stated at actual cost or cost of construction, less depreciation / amortization.

c) DEPRECIATION / AMORTISATION:

- i) The Company provides depreciation on fixed assets on Written Down Value Method, at the rates specified in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions / deletions to fixed assets is being provided on pro rata basis from / to the day of acquisition / disposal.

d) IMPAIRMENT OF ASSETS:

The company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the Balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. However there is no impairment to any of the assets during the year.

e) INCOME RECOGNITION:

- i) Income from License Fee is recognized after the completion of the exhibition.
- ii) Other Income is accounted on accrual basis.

f) EXPENDITURE:

All expenses are accounted on accrual basis.

g) TREATMENT OF RETIREMENT BENEFITS:

- i) The company has not got registered under PF Act, as the same is presently not applicable to the organisation.
- ii) There is no liability for the organization on account of Leave Salary and Gratuity, since its employees are on deputation from Government of Karnataka. In respect of deputationists, leave salary and pension contribution are provided and charged to Income & Expenditure Account.

h) INCOME TAX:

Provisions, if any are made considering the exemptions/deductions provided under the Income Tax Act. (Please see note no. 23)

i) CONTINGENT LIABILITIES:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

j) MISCELLANEOUS EXPENDITURE:

Preliminary and Preoperative expenses are amortized equally over a period of five years starting from the year in which the expenses are incurred.



3 Share Capital

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
Authorized shares		
2,00,000 equity shares of Rs. 1,000/- each	20,00,00,000.00	20,00,00,000.00
Issued, subscribed and fully paid up shares		
5,000 equity shares of Rs. 1,000/- each fully paid	50,00,000.00	50,00,000.00

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

Equity shares	31-Mar-2014		31-Mar-2013	
	Nos	Amt. In Rs.	Nos	Amt. In Rs.
At the beginning of the period	5000	50,00,000.00	5,000	50,00,000.00
Issued during the period	---	---	---	---
Outstanding at the end of the period	5000	50,00,000.00	5,000	50,00,000.00

Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 1,000/- per share. Each holder of equity shares is entitled to one vote per share.

The Company got registered with limited liability under clause (a) of sub section 1 of section 25 of the Companies Act, 1956. As per clause (b) of sub-section (1), of section 25 of the said Act, its profits if any or other income shall be applied for promoting its objectives and is prohibited from making the payment of any dividend to its members out of such profits.

If upon winding up or dissolution of the company, there remains, after the satisfaction of all debts and liabilities and return in original capital of the Government or 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 its objects similar to objects of the company to be determined by the members of the company.

Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
"India Trade Promotion Organisation, the holding company 2550 equity shares of Rs. 1,000/- each fully paid up. " (2550 equity shares of Rs. 1000/- each fully paid up as on 31.03.2013)	25,50,000.00	25,50,000.00

Details of shareholders holding more than 5% share in the company

	31-Mar-2014		31-Mar-2013	
	Nos	% of holding	Nos	% of holding
"Equity shares of Rs. 1,000/- each fully paid				
India Trade Promotion Organisation, the holding company"	2550	51%	2550	51%
Karnataka Industrial Area Development Board Co-Promoter	2450	49%	2450	49%

Shares reserved for allotment to Joint Venture Partners (Please see note no. 5)**4. Reserves and Surplus**

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
Surplus in the income and expenditure account		
Balance as per last financial statements	14,57,97,881.84	8,84,35,279.48
Income over expenditure for the year	4,64,15,119.71	5,73,62,602.36
Total Reserves and Surplus	19,22,13,001.55	14,57,97,881.84

5. Share application money pending allotment

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
	9,94,50,000.00	9,94,50,000.00



KarnaTaKa Trade PROMOTION ORGANISATION

Capital Contribution by Joint Venture Partners: K.T.P.O. is a joint venture of ITPO and Govt. of Karnataka through KIADB, holding 51% and 49% respectively. As per MOU dated 16.02.1999 signed by the co promoters, I.T.P.O. was required to contribute an exhibition hall and Govt. of Karnataka, the co promoter was supposed to contribute 50 acres of developed land and infrastructure. During the year 2005-2006 it was agreed by the co promoters to restrict the increase in the authorized capital to Rs.2000 lakhs. It was resolved during May 2009, to increase Authorised Capital from Rs.20crores to Rs.35Crores and convert the Subordinate debt amounting to Rs.7.73 crores into Equity. However, the same could not be implemented since no confirmation was received from ITPO regarding its Board decision on the subject.

As of 31.03.2014, ITPO and KIADB are holding 2550 and 2450 shares respectively in line with Joint Venture agreement indicating capital contribution in the ratio of 51% and 49%.

ITPO had further contributed Rs. 99,450,000/- towards balance of committed share capital contribution. However there is no stipulation of period before which the shares are to be allotted. Since the corresponding capital contribution by KIADB in the form of land together with additional infrastructure are yet to be finalized, the allotment is kept in abeyance. However there is sufficient authorized share capital for issue of shares to ITPO in respect of Rs. 99,450,000/- received as share application money. The shares to be allotted are at par without premium. No interest is payable on share application money, since not refundable as per Joint venture agreement.

6 Long Term Borrowings(Unsecured)

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
Interest free loan from holding company, India Trade Promotion Organisation	7,73,76,949.97	7,73,76,949.97

As per Joint Venture agreement dated 16.02.1999, ITPO had to provide Exhibition Complex. The original cost of Exhibition Complex handed over during 2005-06 to KTPO by ITPO was Rs. 17,66,85,085.97 which was revised to Rs.17,93,76,947.97 during 2011-12.

As per decisions taken by the Board in 6th and 7th Board Meetings held on 20.09.2002 and 19.06.2003 respectively, the excess over and above the respective capital contribution (51% and 49% of Rs. 20 Crores) is to be treated as interest free subordinate debt. The company has not offered any security. Accordingly Rs. 7,73,76,949.97 was shown as subordinate debt.

7 Other Current Liabilities

Other Liabilities	31-Mar-2014	31-Mar-2013
Service Tax payabl	3,19,326.00	-----
Advance from customers	1,20,61,686.25	13,70,269.25
Corporation Tax Payable	---	1,47,39,722.00
Luxury Tax Payable	72,807.00	2,64,204.00
Creditor for expenses	45,48,700.00	41,59,144.00
TDS Payable	6,883.00	16,255.00
Salary Deductions payable	10,240.00	11,180.00
Security Deposit from customers & contractors	8,36,400.00	10,36,400.00
Dues to Holding Company(towards expenses)	62,36,106.72	61,27,731.72
	2,40,92,148.97	2,77,24,905.97

8 Short-Term Provisions

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
Provision for employee benefits	5,15,803.00	3,54,863.00
	5,15,803.00	3,54,863.00

Tangible Assets (Company Owned Assets)

	Exhibition Complex	Plant & Machinery	Furnitures & Fixtures	Vehicles	Office Equipment	Total
Cost or valuation						
At 1st April 2012	18,12,92,287.97	83,92,240.16	3,49,570.00	5,32,618.00	3,60,091.75	19,09,26,807.88
Additions		5,058.00	-	-	36,685.00	41,743.00
At 31 March 2013	18,12,92,287.97	83,97,298.16	3,49,570.00	5,32,618.00	3,96,776.75	19,09,68,550.88
Additions		1,02,085.00				1,02,085.00
At 31 March 2014	18,12,92,287.97	84,99,383.16	3,49,570.00	5,32,618.00	3,96,776.75	19,10,70,635.88
Depreciation						
At 1st April 2013	10,20,09,148.89	32,35,220.22	1,44,476.00	4,36,626.78	1,57,534.75	10,59,83,006.64
Charges for the year	79,79,838.00	7,68,725.00	37,122.00	24,852.00	33,279.00	88,43,816.00
At 31 March 2014	10,99,88,986.89	40,03,945.22	1,81,598.00	4,61,478.78	1,90,813.75	11,48,26,822.64
Net Block						
At 31 March 2013	7,92,83,139.08	51,62,077.94	2,05,094.00	95,991.22	2,39,242.00	8,49,85,544.24
At 31 March 2014	71,303,301.08	44,95,437.94	1,67,972.00	71,139.22	2,05,963.00	7,62,43,813.24

10 Cash and Bank Balances

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
i) Cash and cash equivalents		
Balances with banks:		
On SB/Current Accounts	1,43,344.61	(1,64,766.49)
Cash on hand	4,287.53	7,578.75
Sub-Total	1,47,632.14	(1,57,187.74)
ii) Other Bank Balances		
Deposits with original maturity of more than 3 months but less than 12 months (Non - Current portion - Nil)	28,19,22,000.00	23,61,94,000.00
Sub-Total	28,19,22,000.00	23,61,94,000.00
Total Cash and Bank Balances	28,20,69,632.14	23,60,36,812.26



11 Short Term Loans & Advances

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
i) Advances Recoverable in Cash or in kind (Unsecured and considered good)		
a) BESCOM(electricity charges)	4,70,636.00	5,66,766.00
b) AG's Office(leave encashment)	2,05,444.00	1,17,934.00
c) CPWD (Maintenance Works)	33,655.00	42,81,125.00
d) Prepaid Expenses	2,321.00	5,217.00
e) Telephone Deposit	1,500.00	1,500.00
Sub-Total	7,13,556.00	49,72,542.00
ii) Other Advances(unsecured and considered good)		
a) Service Tax- Input Tax	79,314.00	1,08,973.56
b) Advance Tax(TDS)	2,59,33,122.85	1,76,29,182.95
c) Service Tax (Deposit)(Please see Note No.24)	11,77,008.00	11,77,008.00
Sub-Total	2,71,89,444.85	1,89,15,164.51
Total Short Terms Loans & Advances (i+ii)	2,79,03,000.85	2,38,87,706.51

12 Other Current Assets

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
Interest accrued on Fixed Deposits	1,24,31,457.26	1,07,94,537.77
	1,24,31,457.26	1,07,94,537.77

13 Revenue from operations

	"For the year ending 31-Mar-2014" In Rs.	"For the year ending 31-Mar-2013" In Rs.
Sale of services	4,68,73,115.00	6,56,98,652.00
Other operating revenue	11,49,913.00	11,71,186.00
	4,80,23,028.00	6,68,69,838.00
Details of services rendered		
	31-Mar-2014" In Rs.	31-Mar-2013" In Rs.
License fee, gate fee collection and recovery for utilities from Exhibition Hall	4,68,73,115.00	6,56,98,652.00

14 Other Income

	31-Mar-2014"	31-Mar-2013"
	In Rs.	In Rs.
Interest income	2,41,89,365.36	1,99,25,940.93
Other non-operating income	1,01,67,569.50	91,109.00
	3,43,56,934.86	2,00,17,049.93

15 Employee Benefit Expenses

	31-Mar-2014"	31-Mar-2013"
	In Rs.	In Rs.
Salaries	21,47,891.00	17,53,984.00
Contribution for pension & leave salary	3,39,851.00	3,02,024.00
Staff Welfare	2,01,752.00	2,91,082.00
	26,89,494.00	23,47,090.00

16 Finance Costs

	31-Mar-2014"	31-Mar-2013"
	In Rs.	In Rs.
Bank Charges	37,079.00	14,861.00

17 Other Expenses

	31-Mar-2014"	31-Mar-2013"
	In Rs.	In Rs.
Power & Fuel	47,37,567.00	56,76,231.00
Repairs & Maintenance to Buildings	86,33,111.00	2,41,663.25
Repairs & Maintenance to Plant & Machinery	28,58,345.00	17,35,772.00
Repairs & Maintenance-Others	12,38,277.95	11,88,115.00
House Keeping & Security Charges	31,16,711.70	31,54,636.00
Corporation Tax	18,29,222.00	23,72,187.00
Water charges	11,095.00	38,410.00
Communication charges	1,17,285.00	83,998.44
Bandwidth Charges	---	4,35,617.00
Printing & Stationery	29,365.00	64,156.00
Postage & Courier Charges	19,893.00	19,792.00
Advertising & Sales Promotion	40,000.00	60,000.00
Legal & Professional Charges	7,66,535.00	8,15,206.00
Travelling & Conveyance	6,24,842.94	10,65,818.88
Insurance	51,220.00	51,268.00
Office Expenses	2,39,874.00	2,36,124.00
Audit Fee	35,000.00	35,000.00
Miscellaneous Expenses	38,669.56	1,860.00
Prior Period Items	7,440.00	28,550.00
	2,43,94,454.15	1,73,04,404.57



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Payment to auditor

	31-Mar-2014 (In Rs.)	31-Mar-2013 (In Rs.)
As auditor		
Audit fee	35,000.00	35,000.00
	35,000.00	35,000.00
Prior Period Items (Note No. 17)		
Late filing fee paid of TDS returns for the year 2012-13	7,440.00	---
Amount remitted to Income Tax dept towards TDS amount not collected for the financial year 2008-09	---	3,010.00
Amount paid to M/s.Sudhakar Pai Associates towards out of pocket expenses in connection with audit for the year 2010-11 and not provided in that year	---	10,000.00
Amount remitted to Income Tax department towards TDS amount not collected during 2011-12	---	540.00
Amount paid to YCRJ & Associates towards audit fee for 2011-12 (Short Provided)	---	15,000.00
	7,440.00	28,550.00

- 18** i) Additional information as per the provisions of paragraph 5(ii) a, b, d and e, 5(iii), 5(viii) a(I & II) and c of General Instructions for preparation of Statement of Income & Expenditure Account, is not furnished since the company is not a manufacturing company or a trading company.
- ii) Information as per para 5(vii) of General Instructions for preparation of Statement of Income & Expenditure Account, is not furnished since the company is not having any subsidiaries.

	31-Mar-2014	31-Mar-2013
iii) Value of imports - capital goods	NIL	NIL
iv) Expenditure in foreign currency on account of royalty, know-how, professional and consultation fee, interest and other matters.	NIL	NIL
v) Amount remitted in foreign currency on account of dividends with a specific mention of the total number of non-residential share holders, the total number of shares held by them on which the dividends were due and the year to which the dividends related.	NIL	NIL
vi) Earnings in foreign exchange classified under the heads, namely: export of goods calculated on F.O.B basis, royalty, know-how, professional & consultation fee, interest & dividend, other income.	NIL	NIL

19 Related party disclosures**Names of related parties and related party relationship****Relates parties where control exists**

India Trade Promotion Organisation- Holding Company

Karnataka Industrial Area Development Board – Co-Promoter

Related parties with whom transactions have taken place during the year

India Trade Promotion Organisation

Karnataka Industrial Area Development Board

Related party transactions**a) Interest free loan taken and not repayable as per MOU dated 16.02.1999 (Please see note no. 6)****(In Rs.)**

	Year ended	Loans taken	Repayment	Interest accrued	Amounts owed to related party
India Trade Promotion Organisation- Holding Company	31-Mar-2014	-	-	-	7,73,76,949.37
	31-Mar-2013	-	-	-	7,73,76,949.97

b) Amounts due to related party (towards services) Please See Note No. 7**(In Rs.)**

	Year ended	For Services	Amount due to related party
i) India Trade Promotion Organisation Holding Company	31-Mar-2014	1,08,375.00	62,36,106.72
	31-Mar-2013	2,67,498.00	61,27,731.72
ii) Karnataka Industrial Area Development Board-Co-Promoter	31-Mar-2014	5,00,000.00	36,92,500.00
	31-Mar-2013	5,00,000.00	31,92,000.00

20 Commitments

	31-Mar-2014 In Rs.	31-Mar-2013 In Rs.
Estimated amount of contract for (a) re-arranging of LT Panel Boards and (b) one time repairs & maintenance to Exhibition centre	33,655.00	1,11,35,660.00



21. Capital Contribution by Joint Venture Partners:

K.T.P.O. is a joint venture of ITPO and Govt. of Karnataka through KIADB holding 51% and 49% respectively. As per the MOU signed by the co promoters, I.T.P.O. was required to construct an exhibition hall and Govt. of Karnataka, the co promoter was supposed to bring 50 acres of developed land with infrastructure for exhibition complex. During the year 2005-2006 it was agreed by the co promoters to restrict the increase in the authorized capital to Rs. 2000 lakhs.

As on 31st March 2014, ITPO has brought in Rs. 10.20 crores as their share of Equity and Share Application Money. GOK/KIADB as on the same date has brought in Rs. 24.50 lakhs in cash & 50 acres of developed land whose value is determined based on Lumpsum amount of Rs. 10 crores and other external infrastructure. However, the value of the land and infrastructure is yet to be accounted for, since Khatha is not transferred to KTPO's name due to pendency of determination of Property Tax by BBMP.

The Board of Directors in their 15th Board Meeting held on 29-09-2006 had resolved to allot 99,450 equity shares of Rs. 1000.00 each to ITPO against the share application money lying to their credit. It was further resolved to issue shares certificates to ITPO and file the Return of Allotment with Registrar of Companies. However the shares could not be allotted to ITPO for the reason that there is an internal agreement between ITPO and GOK (KIADB) for investing money in KTPO at 51% and 49% respectively. At the present condition, since the details of total cost of infrastructure are not provided by KIADB, the capitalization of land and infrastructure is pending and hence allotment of shares to ITPO and KIADB (GOK) is also pending.

22 Possession of 50 Acres of developed land by KTPO:

KTPO is in possession of entire 50 acres of land. KIADB has issued title deed of the entire land to KTPO and the same is registered vide sale deed dated 15.12.2010. Government of Karnataka extended full exemption of Registration fee and Stamp Duty. The Khatha for the property has not yet been transferred in favour of KTPO so far. Since the details of total cost of infrastructure is not provided by KIADB, the capitalization of land and infrastructure cost is pending.

The exhibition complex is capitalized in the books of KTPO based on the directions of ITPO. The land and cost of external infrastructure of Government of Karnataka (KIADB) is yet to be capitalized due to non-transfer of Khatha in favour of KTPO.

23. INCOME TAX:

- a) The organisation had obtained exemption u/s 10(23C)(iv) of Income Tax Act, 1961 up to assessment year 2008-09. The organisation applied for extension of exemption for the assessment years 2009-10, 2010-11, and 2011-12 relevant to financial years 2008-09, 2009-10, and 2010-11 respectively. The Chief Commissioner of Income Tax has passed orders rejecting the applications for renewal of approval u/s 10(23C)(iv) of Income Tax Act, 1961. The reasons cited by the Chief Commissioner of Income Tax are (a) for the assessment year 2009-10, belated application since the application was filed on 04.02.2010 which should have been filed before 31.03.2009 (b) for the assessment years 2010-11 and 2011-12, the applications have been rejected on the ground that the activities of the company are hit by the amended provisions of section 2(15) of Income Tax Act. However the organisation had filed writ petition in the Hon'ble High Court of Karnataka, challenging the rejection orders of the Chief Commissioner of Income Tax. The Hon'ble High court of Karnataka passed orders setting aside the orders passed by the Chief Commissioner of Income Tax u/s 10(23C)(iv) of Income Tax Act rejecting the renewal of approval as sought by the Company, at the same time directing the department to decide on withdrawal or otherwise of the registration when such an occasion arising in future.

During 2012-13, Deputy Director of Income Tax (exemptions), Bangalore had completed the assessment proceedings and passed assessment order in respect of Assessment Year 2010-11 stating that KTPO is clearly covered by the provision to section 2(15) of the Act and consequently denying the exemption claimed by the company u/s 11. There is no tax liability for the assessment year 2010-11 since there is no excess of income over expenditure during the year as per the assessment order passed by the Assessing Officer. In response, the Company has filed an appeal before Honb'le Commissioner of Income Tax (Appeals)-V, Bangalore on 09-04-2013 stating that (a) The Company is not hit by the amended provisions of section 2(15) of the Act and (b) Company is entitled to claim exemption u/s 10(23c) (iv) of the Act.

During 2013-14 the Assessing officer had completed assessment proceedings and passed assessment order in respect of assessment year 2011-12, stating that provision to Sec 2(15) is applicable in the case of KTPO and hence it is neither eligible for exemption U/s 11 nor U/s 10(23c) (iv) of the Act and hence its income is taxed accordingly. In response, the Company has filed an appeal before Honb'le Commissioner of Income Tax (Appeals)-V, Bangalore on 08-04-2014 stating that the Company is not hit by the amended provisions of section 2(15) of the Act.

The organisation had received notice from the Additional commissioner of Income Tax (Tech) -I on 26-02-2013 for proposal to withdraw the approval granted u/s 10(23c) (iv) of the Act for the assessment years 2003-04 to 2008-09 with effect from 1-04-2009, i.e from the date of amendment to section 2(15) and onwards. The Company had filed written submissions on 16-04-2013 and 10.05.2013 for reconsideration of its withdrawal proposal.

- b) The organisation had also obtained exemption certificate u/s 12A of the Income Tax Act, 1961 vide certificate no.DIT(E)/12A/Vol-I/W-1/K-680/02-03 dated 25.03.2003 with retrospective effect from 06.12.2000. The organisation has received Show Cause Notice for cancellation of registration u/s 12AA of Income Tax Act, 1961. In response, the organisation filed justification letters dtd 27.04.2011 & 17.10.2011 requesting for reconsideration of its rejection proposal and no further Communication received in this regard from the department.
- C) In view of the above, the liability of Income Tax is not provided in the books.

24 SERVICE TAX

Consequent to the audit conducted by the Service Tax department, relating to the period 2005-06 to 2007-08, the Company during the year received Order-in-Original passed by the Additional Commissioner, office of the Commissioner of Service Tax, Bangalore-27, demanding service tax amounting to Rs.5,86,430/- u/s 73(2) of the Finance Act 1994, alongwith interest (not quantified) and penalty (not quantified) u/s 75, 76 and 78 of Finance Act 1994.

In the opinion of the Company, based on the considered opinion of Service Tax Law Consultant, the services on which demand has been raised, do not fall within the ambit of services liable for Service Tax. Accordingly an amount of Rs.11,77,008/- (comprising of Rs.5,86,430/- towards service tax, Rs.4,43,970/- towards interest and Rs.1,46,608/- towards penalty was deposited and shown under "Other Advances (unsecured and considered good)." Therefore, the demand has been contested by the Company with the Commissioner of Service Tax (appeals), Bangalore. The Commissioner of Service Tax (Appeals), Bangalore upheld the order in original passed by Additional Commissioner vide order in appeal No.279/2014 dated 28-03-2014 (received by the company on 07-04-2014). Based on the considered opinion of Service tax Law Consultant, the Organisation has decided to file an appeal before Honorable



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CESTAT before the due date i.e. 06-07-2014 and no provision has been made in accounts.

- 25.** The balances in parties accounts are subject to confirmation and reconciliation.
- 26.** Sundry Creditors include Rs. Nil dues to Small Scale Industries which are Outstanding for a period of more than 30 days and more than one lakh rupees per party (Previous Year-Rs. Nil)

27 Segment Reporting:

"The Company is engaged in only one segment i.e hiring out premises for exhibitions. Hence no separate reporting is envisaged. "

For and on behalf of Board of Directors

Vide our report of even date

For M.K.BHANSALI & CO
Chartered Accountants
(Regn no.000446S)

Sd/
(C.Veerabhadraiah)
Managing Director

Sd/-
(M.Maheshwar Rao)
Director

Sd/
(Mahendra Kumar)
Proprietor
Membership No.027218

Place: Bangalore
Date: 25-06-2014

INDEPENDENT AUDITOR'S REPORT

1. Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Karnataka Trade Promotion Organisation**, which comprises the balance sheet as at 31st March 2014, the Income and Expenditure account and cash flow statement for the year then ended together with notes there on, as per Revised Schedule VI of the companies Act, 1956 and summary of significant accounting policies and explanatory information.

2. Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred in sub section 3(c) of the Section 211 of the companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatements, whether due to fraud or error

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing (Issued by the Institute of Chartered accountants of India) generally accepted in India.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statements, whether due to frauds or error. In making those risk assessments the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluation the overall presentation of the financial statements. We believe that our audit evidence, we have obtained, is sufficient and appropriate to provide a basis for our audit opinion.

4 Basis for qualified opinion.

(a) Non capitalization of Developed Land transferred from KIADB Rs. 10 Crores

- (i) Reference is made to note No.22 in notes of financial statements on the issued of developed land.
- (ii) As per clause 8 (iii) of MOU dated 16.02.1999 between GOK/KIADB and ITPO (Joint promoters), KIADB shall transfer 50 acres of developed land with infrastructure for the exhibition complex in the White field area to the joint venture company in a location as selected



by KIADB and as identified by ITPO and further undertake to provide infrastructural development to the said land such as construction of boundary wall, roads, transport, water, electricity, telephones, and telecommunications etc.. as per the requirement of the project.

- (iii) As per clause 8 (iv) of the referred MOU, values of 50 acres of developed land is fixed at Rs. 10 crores which has to be treated as capital contribution from GOK/KIADB. There is no ambiguity on the value of developed land being fixed at Rs. 10 Crores.
- (iv) Though the company is in possession of 50 acres of land since 04.11.1999 and the company had constructed exhibition complex through ITPO on such land and the said exhibition complex was brought in to books in 2005-06 itself and the company is earning its revenues from such exhibition complex since then and through the developed land was registered in favour of the company vide sale deed dated 15.02.2010 executed by KIADB in favour of the company and despite the fact that the full sale consideration for such sale of land being paid by KTPO to KIADB is clearly stated in the reference sale deed the company had not brought the said 50 acres of developed land into the books. This had resulted in under statement of Fixed assets and under statement of Equity/liablility from/to KIADB representing Government of Karnataka to the extent of Rs. 10 Crores.

(b) Non recording of amount of Rs.585/- lacs released by government of Karnataka to KIADB for development of external infrastructure:

- (i) Reference is made to Note No.22 in

notes to financial statements on the issue of developed land and details of cost of infrastructure.

- (ii) As per clause 8 (iii) of MOU dated 16.02.1999 between GOK/KIADB and ITPO (Joint promoters) KIADB shall transfer 50 acres of developed land with infrastructure of the exhibition complex in the white filed area to the joint venture company in a location as selected by KIADB and as identified by ITPO and further undertake to provide infrastructural development to the said land such as construction of boundary wall, roads, transport, water, electricity, telephones and telecommunications etc. as per the requirement of the project.
- (iii) Reference is made to letter dated 30.03.2012 written by the company to KIADB, on this issue. The letter admits that the Government of Karnataka in line with its obligation to provide external infrastructure as stated in sub para (ii) above had released Rs.585 lacs to KIADB and entrusted the said work to be carried by KIADB. However the company had not brought into the books the said amount released by GOK. This had resulted in understatement of equity/subordinate debt from government of Karnataka and understatement of advance given to KIADB, further the company had not obtained details of cost of infrastructure which also results in understatement of Fixed assets/Capital work in progress with corresponding impact on advance to KIADB if funds released by GOK were to be recorded as stated earlier and consequential effect on surplus (excess of Income over Expenditure) by way of depreciation in respect of completed assets.

(c) Non Provision of Income tax for the F.Y. 2008-09 to 2013-14

- (i) Reference is made to Note No. 23 on the issue of Income Tax Provision. The Chief Commissioner of Income Tax has rejected the application for renewal of approval U/S 10 (23C) (iv) of Income Tax Act 1961 for the assessment year 2009-10 as being filed belatedly and for assessment years 2010-11 and 2011-12 as been hit by the amended provision of Sec 2 (15) of Income Tax Act. The Company had challenged the above Order of Commissioner of Income tax in Writ Petition and the Honorable High Court of Karnataka passed Orders setting aside the orders passed by the Chief Commissioner on Income Tax u/s 10 (23C)(iv) of Income Tax Act rejecting the renewal of approval as sought by the Company, as the same time directing the department to decide on withdrawal or otherwise of the registration when such an occasion arise in future.
- (ii) During the Financial year 2013-14 the Company received an Assessment order for the Assessment year 2011-12 on completion of Assessment and the Company's claim of Registration u/s 12 A has been rejected and the income is said not to be eligible for exemption u/s 11 of the Income Tax Act 1961. The Company has filed an appeal before the Honourable Commissioner of Income tax Appeals on 08.04.2014 against the above reffed order of the Deputy Director of Income Tax (Exemption) Bangalore and the same is pending.
- (iii) Earlier the Financial year 2012-13 the Company had received an Assessment order for the Assessment year 2010-11 on completion of Assessment for that year

and the Company's claim of Registration u/s 12 A has been rejected and the income is said not to be eligible for exemption u/s 11 of the Income Tax Act 1961. The Company has filed an appeal before the Honorable Commissioner of Income tax Appeals on 09.04.2013 against the above referred order of the Deputy Director of Income tax (Exemption) Bangalore and the same is pending.

- (iv) The Company had also obtained exemption certificate under Section 12 A vide certificate dated 25.03.2003. The company had received show cause notice from DOIT (Exemption) dated 11.04.2011 proposing to cancel the registration granted U/S12AA (3) of the IT Act, 1961. The Company had made representation to DOIT through their letters dated 27.04.2011 and 17.10.2011 to drop the proposal to cancel registration on the ground that the said issue should have to be dealt only at the time of assessment. Decision in this regard is still awaited.
- (v) The Income tax returns filed by the company for Assessment Year from 2008-09 to 2013-14 except for Assessment Year 2010-11 & Assessment Year 2011-12 as stated above are pending for assessment. The Company had received notice on 26.02.2013 a Proposal to cancel the Original Approval granted for Assessment Year 2003-04 to 2008-09 w.e.f. 01.04.2009 for registration u/s 10 (23C) (iv) from Additional Commissioner of Income Tax Tech-1. So as to affect the company's stand of perpetual registration granted earlier. The Written submission have been made by the company on 16.04.2013 and 10.05.2013 against the proposal of cancellation of registration made by



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the said Additional Commissioner of Income tax Tech-1. As informed no further communications have been made to the Company in this respect.

In the light of the above facts, the company would have worked out the tax liability on the concept of prudence and provided in the books. This has an impact on the Surplus (excess of Income over Expenditure) and the liability side of the Company. The amount of Tax is not quantified for want of adequate data/information and we are unable to comment on the quantum of liability that may arise.

5. Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the Basis for Qualified opinion Paragraph the said financial statements read together with the accounting policies in the manner so required, and present a true and fair view in conformity with and notes thereon give the information required by the Companies Act 1956, the accounting principles generally accepted in India:

- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31.03.2014.
- (ii) In the case of Income and Expenditure Account of the Excess of Income over expenditure of the company for the year ended on that date and
- (iii) In the case of the Cash Flow statement, of the Cash flows for the year ended on that date.

6. Emphasis of matter.

Non allotment of shares to ITPO Rs.994.50 lacs

Attention is drawn to Note No.21 in the Notes to Financial Statements on this issue. Despite transfer of title deed to Land procured from KIADB the shares were not allotted to ITPO in respect of Rs. 994.50 lacs received from them, as decided by the Boards in the 15th and 16th Board Meetings held on 29.09.2006 and 06.01.2007 respectively. The reason for such non allotment as ascribed in the said note is due to non capitalization of land and infrastructure for want of details of total cost of infrastructure. The allotment of shares if were to have been made before 31/03/2014 as per referred Board's decision would have resulted in fair presentation of "Share Holder's Fund" as per Revised Schedule VI of the companies Act, 1956. Our opinion is not qualified in respect of this matter.

7. Report on other legal and regulatory requirements.

- (i) The provisions of the Companies (Auditor's report) Order 2003 as amended by the Companies (Auditor's report) (Amendment) Order 2004 issued by the Central Government in terms of Sec.227(4A) of the Companies Act, 1956 are not applicable to this Company since it is licensed to operate under Sec.25 of the Companies Act, 1956.
- (ii) As required under Provisions of sec.227 (3) of the Companies Act, 1956 we report that.
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have kept by the company so far as appears from our examination of those books.

- (c) The Balance Sheet, Income and Expenditure Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts maintained by the company.
- (d) In Our opinion the Balance Sheet, Income and Expenditure Account and Cash Flow Statement dealt with this Report comply with the mandatory Accounting Standards referred to in sub section (3c) of Sec.211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (e) The Company has informed Department of Company affairs vide notification No. GSR 829(E) dated 22.10.2003 notified that Sec.274 (1) (g) of the Companies Act, 1956 is not applicable to the Government Companies. Hence clause regarding disqualification of directors is not applicable, and
- (f) Since the Central Government has not issued Notification as to the rate at which the cess is to be paid u/s 441A of the Companies Act, 1956 nor has it issued any Rules under the said section prescribing the manner in which such cess is to be paid no cess is due and payable by the Company.

For M.K. Bhansali & Co.
Chartered Accountants

Sd/-
(Mahendra Kumar)
Proprietor
M.No:027218
FRN 000446S

Place: Bangalore
Date: 28.06.2014



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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF KARNATAKA TRADE PROMOTION ORGANISATION, BANGALORE FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of **Karnataka Trade Promotion Organisation, Bangalore** for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28 June 2014.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of Statutory Auditor on the accounts of Karnataka Trade Promotion Organisation, Bangalore for the year ended 31 March 2014 and as such have no comments to make under Section 619(4) of the Companies Act, 1956

**For and on the behalf of the
Comptroller and Auditor General of India**

Sd/-

(N. Karunakaran)

**Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad**

Place : Hyderabad

Date : 16th July 2014