



36th ANNUAL REPORT

 INDIA TRADE PROMOTION ORGANISATION



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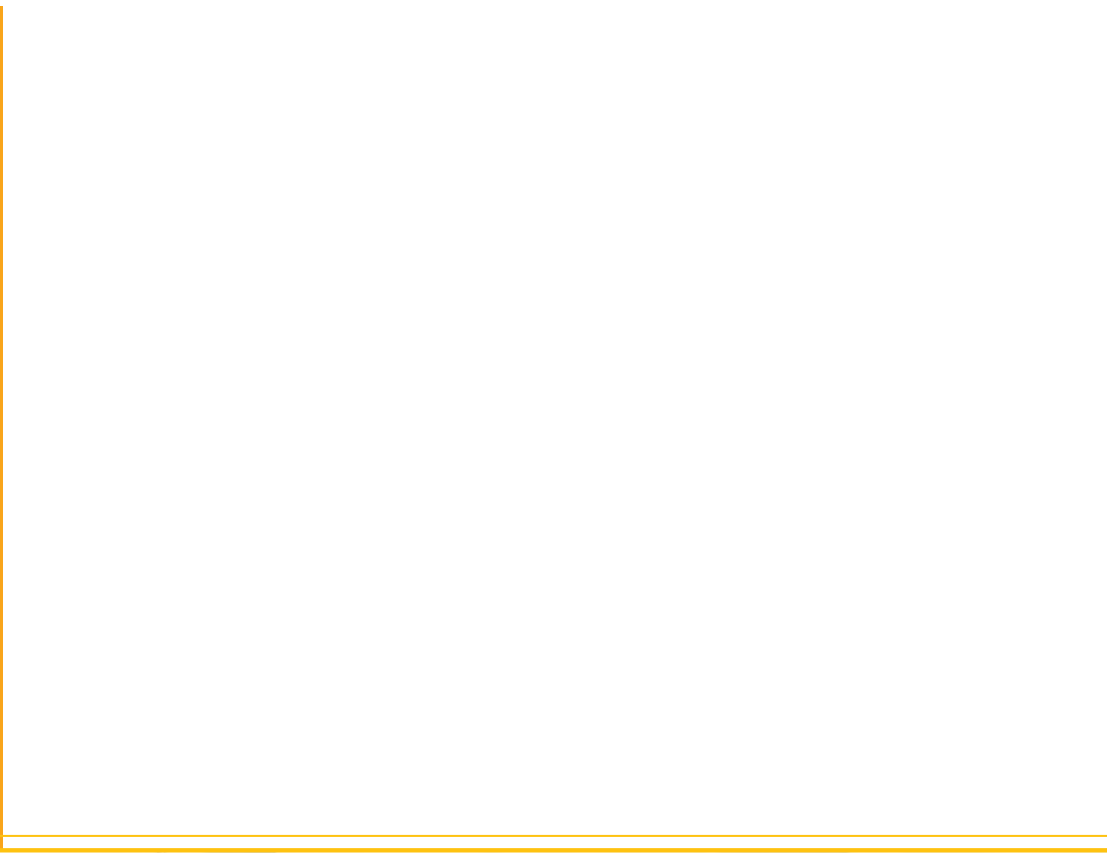


Pragati Bhawan, ITPO Headquarters, New Delhi

2012 13

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A view of Trade Fair in Progress at Pragati Maidan, New Delhi



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BOARD OF DIRECTORS



Smt. Rita Menon
Chairperson & Managing Director



Smt. Anita Agnihotri
Additional Secretary & Financial Adviser
Ministry of Commerce & Industry



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



Shri C.K. Mishra
Joint Secretary
Ministry of Micro, Small
& Medium Enterprises
(Upto 22-09-2013)



Shri Prabhat Kumar
Joint Secretary
Ministry of External Affairs



Shri S.N. Tripathi
Joint Secretary
Ministry of Micro, Small & Medium
Enterprises (w.e.f. 23-09-2013)



Shri Abhijit Basu
Director



Shri S.M. Lodha
Director



Shri D.S. Rawat
Director



Shri Neeraj Kumar Gupta
Executive Director
(upto 25-10-2012)



Shri Asit Kumar Tripathy
Executive Director
(upto 23-01-2013)



Shri Malay Shrivastava
Executive Director
(w.e.f. 24-01-2013)

KEY EXECUTIVES



Shri P.C. Sharma
Senior General Manager



Shri B.L. Meena
Officer-on-Special Duty



Smt. Meenakshi Singh
Officer-on-Special Duty



Shri Vikram Sahgal
General Manager



Shri Dalel Singh
General Manager



Shri S.K. Sharma
General Manager



Shri Arun Chandra
General Manager



Shri R.K. Singh
General Manager



Ms. V. Meera
General Manager



Shri Y.K. Sharma
General Manager



Shri S.R. Sahoo
Company Secretary



The Hon'ble President of India, Shri Pranab Mukherjee being received at the IITF 2012. To his left is CMD-ITPO, Smt. Rita Menon



2012

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***ITPO OFFICES
IN INDIA***



A multi cuisine Food Court at Pragati Maidan

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

REGIONAL OFFICES

BANGALORE

24-A, Imperial Court,
33/1, Cunningham Road,
Bangalore – 560052
Tel.: 91-80-22268867, 22268969
Fax : 91-80-22258662
E.mail : itpoblrv@vsnl.net.in

CHENNAI

Raja Annamalai Building, 2nd Floor,
72, Rukmani Lakshmi pathi 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



A musical evening at one of the theater in Pragati Miadan

2012

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**CHAIRPERSON'S
STATEMENT**

CHAIRPERSON'S STATEMENT 36TH ANNUAL GENERAL MEETING**Ladies & Gentlemen,**

It is my privilege to extend a very warm welcome to all of you today to the 36th Annual General Meeting of ITPO.

The Directors Report and the Audited Accounts for the financial year 2012-13, along with the observations of Statutory Auditors and the Comments of the Comptroller & Auditor General of India have already been circulated. Should you permit, I shall take them as read.

FINANCIAL PERFORMANCE OF ITPO

I am happy to mention that the operations of the Company for the period ended on 31st March, 2013, have yielded a surplus of Rs.152.29 crores as against Rs 183.03 crores of the year 2011-12 and Rs 70.87 crores of the year 2010-11. The total income generated during 2012-13 is Rs.336.58 crores as compared to Rs.373.80 crores during 2011-12 and Rs.305.12 crores during 2010-11. The surplus and total income

generated during 2012-13 was less than 2011-12 essentially because of 4 major events which are of biennial/triennial nature and they contributed to a surplus of Rs.107.28 crores in 2011-12 and were not scheduled in 2012-13. ITPO, being Section 25 company of the Companies Act, 1956, no dividend is payable. The excess of income over expenditure amounting to Rs. 152.29 crores has been carried forward to the Reserve and Surplus Account for the utilization of the same in furtherance of its objectives. This year again the company has received 'NIL' comments from C & AG of India confirming the commitment of company for best accounting and disclosure practices.

PARTICIPATION IN FAIRS HELD ABROAD

For achieving the company's goal of promoting Indian Trade across the globe during the year 2012-13, the Company organized India's

national level participation in 22 overseas trade fairs. Of these 22 events, eight were held in Europe, six in Africa/West Asia and North Africa, four in North American Free Trade Association/ Latin American Countries, one each in Asia, SAARC & Commonwealth of Independent States regions and Australia. Out of total 22 events, 10 were General Fairs & 12 were specialized Fairs. Some of the major events included are Africa's Big Seven, Johannesburg (South Africa); Summer Fancy Food Show, Washington (USA); SIAL Food Fair, Paris (France); Asia Pacific Leather Fair, Hong Kong; AFL'Artigiano de fiera – International Handicrafts Fair, Milan (Italy); National Hardware Show, Las Vegas; AAPEX, Las Vegas; Saudi Agro Food, Riyadh; ACLE, Shanghai; SIAL, Paris; and Medica (Germany). That apart, the Company organized the 33rd and 23rd 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 \$ 28.14 million and attracted visits by 2057 business visitors.

FAIRS HELD IN INDIA

During the financial year, 10 national and international trade fairs/ exhibitions were organized in India by the Company. Out of these 10, seven were organized in Delhi and three in other cities. Events organized in Pragati Maidan during the year included 2nd Edition of India International Leather Fair,; 18th Delhi Book Fair,; 14th Stationery Fair,; 15th India International Security Expo,; 32nd Edition of India International Trade Fair (IITF),; Nakshatra,; 28th Edition of Aahar – The International Food & Hospitality Fair,. The rest of the three events organized in other cities were the 7th Aahar – the International Food Fair, , Chennai; 28th Edition

of India International Leather Fair, Chennai; and International Leather Goods Fair, Kolkatta.

HIGHLIGHTS OF FAIRS HELD AT PRAGATI MAIDAN, NEW DELHI

The 2nd Edition of India International Leather Fair (IILF), Delhi had 40 participants from countries such as China, Taiwan, Singapore & Italy. IILF Delhi was held concurrently with the 2nd Edition of “Expo Riva Schuh india” organized by Riva Del Garda, Italy. There were 92 overseas visitors from 23 countries like Australia, Bangladesh, Belgium, China, France, Germany, Hong Kong, Italy, Japan, Nepal, Poland, Oman, Russia, Saudi Arabia, Singapore, South Africa, Sri Lanka, Sweden, Taiwan, The Netherlands, the UAE, the UK and the USA.

18th Delhi Book Fair'2012 and 14th Stationery Fair'2012 were organized concurrently by ITPO in association with the Federation of Indian Publishers,. Overseas participation was from the USA, the UK, China & Pakistan. About 3 lakh visitors visited the Fair. 15th India International Security Expo organized in Pragati Maidan, was supported by the Ministry of Home Affairs. The Expo was in line with the Government's objective of promoting modernization of the Security Sector in consonance with the rising threat perceptions and underlining the scope for continuous rise in this recession-proof industry.

The 32nd India International Trade Fair 2012 (IITF'12) was held during November 14-27, 2012 in Pragati Maidan. The fair was inaugurated by Shri Pranab Mukherjee, the President of India. Shri Anand Sharma, Hon'ble Union Minister of Commerce & Industry and Textile was the Guest of Honour. “Skilling India” was the theme of IITF'2012. The State of Uttarakhand was “Partner State” and Andaman & Nikobar was the “Focus



State". As many as 6,000 exhibitors including 414 from 26 countries (392 participated in their respective national pavilions and 22 independently) showcased their products and services in the event. Alongside the event, a number of seminars and conferences on topical interests were also organized during the fair. Apart from 7181 business visitors from India and abroad including 290 trade delegations from 45 countries and more than 15 lakh general visitors visited IITF'12. 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. To ensure security and safety of exhibitors and visitors alike, modern security systems were inducted, a large capacity parking area for about 400 vehicles was also created. This resulted in the smooth flow of traffic on Mathura Road and Bhairon Marg. Modern firefighting equipment was installed in all the exhibition halls, to counter any untoward mishap. Mobile cargo scanners and fire tenders were also deployed as a preventive measure. 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.

The 8th Nakshatra Fair was organized in Pragati Maidan. 84 Exhibitors from all over the country participated and approximately 50,000 visitors attended the fair. The theme of the fair was "How to have a stress free and happy life." The Company organized the 28th edition of Aahar – The International Food & Hospitality Fair depicting two concurrent exhibitions, namely,

"Food India" and "Hospitality India" in Pragati Maidan. The event was organized with the support of the Ministry of Food Processing Industries and other Associates. There were 676 participants, out of which 50 were from countries such as Austria, China, Canada, Denmark, Germany, Italy, Indonesia, Korea, Romania, Singapore, Spain, Sweden, Turkey, Thailand, Malaysia, the UAE and the USA.

The Company for the first time executed a turnkey project for Department of Science and Technology in order to mount a National Exhibition of school science projects named INSPIRE, from all over the country. ITPO not only provided the space and services, but also exclusively managed all aspects of the exhibition, including various events, on behalf of Department of Science and Technology.

HIGHLIGHTS OF FAIRS HELD AT REGIONAL LEVEL

7th Aahar – The International Food Fair'2012 was organized by the Company with the support of Tamil Nadu Trade Promotion Organization & industry associations such as MOFPI, APEDA, NSIC, SIHRA, ARCHI, IFCA/SICA and HOTREMAI in Chennai Trade Centre. 28th India International Leather Fair, was organized in Chennai Trade Centre with co-sponsors Central Leather Research Institute, Indian Shoe Federation, Indian Finished Leather Manufacturers and Exporters Association, Footwear Design & Development Institute & Indian Footwear Components Manufacturers Association. There were about 2810 overseas business visitors from 31 countries. 18th International Leather Goods Fair (ILGF) was organized by the Company at Milan Mela

Complex, Kolkata in collaboration with Council for Leather Exports (CLE) and Indian Leather Products Association (ILPA). The fair was also supported by Government of West Bengal.

The first ever Auto Ancillary Show was organized in Pune, with the support of the Ministry of Heavy Industries and Public Enterprises. The fair aimed to provide an ideal platform for manufacturers of autocomponents and assemblies facilitating technology upgradation, tie-ups and joint ventures with overseas companies, which intend to set up manufacturing facilities in India.

OTHER TRADE PROMOTIONAL ACTIVITIES & EVENTS BY THIRD PARTIES

Exhibition Halls, Conference Venues and other facilities in Pragati Maidan were made available to the Trade and Industry for facilitating them in organizing Specialized and General Trade Fairs/Exhibitions/Conferences and other events/activities. As many as 74 third party fairs/events were organized in Pragati Maidan by Industry Associations, Central Ministries, Export Promotion Organisations and other Fair Organizers during the year 2012-13. These include mega high profile events like ACETACH 2012, Indian Asean Business Fair 2012, New Delhi World Book Fair 2013, IETF 2013, Wills Life Style Fashion Week And Automechanika India 2013.

FUTURE OUTLOOK

With an objective of increasing capacity utilization further, the earlier policy of maintaining a 15-day gap between two events with similar display profile has been done away with. Now there is no such mandatory gap in force any more. During the year 2013-14, 60 Fairs/Exhibitions are scheduled to be

organized in Pragati Maidan as on date. ITPO is networking with International Organizations in the areas of Trade and Commerce through membership or collaborative arrangements such as Memorandum of Understanding (MoU). ITPO is a founder member of Asian Trade Promotion Forum (ATPF) and hosted the Annual Meeting of the CEOs of the Member Trade Promotion Organizations (TPOs) at ATPF at Agra from March 5-7, 2013. This 26th Annual Meeting was attended by 51 delegates from member TPOs of 22 countries. This exclusive conclave elicited lively deliberations among the participants on topics covered by the theme "Role of TPOs in the Globally Connected Markets. The Company is proposing to re-develop Pragati Maidan into a State-of-the-Art Integrated Exhibition-cum-Convention Centre in a phased manner. As a part of Company's image building exercise, all of the fairs organized by it will be registered with the Registrar of Trade Marks during 2013-14.

IT INITIATIVES

During the year, the Company's Information Technology capabilities were further strengthened in the light of experiences gained, aiming at enhanced web applications for operational excellence. Moreover, e-governance activities were implemented aiming at enhanced transparency, accuracy and reliability. A major initiative of Online booking of space by potential exhibitors was implemented for exhibitions organized by ITPO viz. IITF 2012, Aahar International 2013 & India International Leather Fair 2012. Also electronic facilities viz., internet, e-mailing, business visitor registration were provided for the business visitors in all major events of



the Company during the year. Application on various mobile platforms & compatible mobile website viz., m.iitf.in, was created for viewing the details of India International Trade Fair, 2012. This application featured information on fair, exhibitors, products, floor plans, factsheets, facilities, events etc for the visitors.

Corporate website was upgraded through value added features making it more user friendly, citizen centric, better accessibility features & ambience. Document Management Information system developed by National Informatics Centre (NIC) was implemented for movement and tracking of files & notes on our local area network. Also, major initiatives have been taken for implementation of robust On-line integrated business software, which will encapsulate best business practices on wide area network.

HINDI RAJ BHASHA

ITPO continued the implementation of the Official Language Policy of the Government of India. Efforts were made to achieve targets in different areas, as laid down by the Department of Official Language, Govt. of India. Two officers represented ITPO in 9th World Hindi Conference, Johannesburg (South Africa), 22-24 September, 2012. To encourage Hindi in routine file work of ITPO, an incentive scheme has also been introduced.

SUBSIDIARY COMPANIES

ITPO has two Regional Trade Centres at Chennai and Bangalore which are joint ventures with Tamilnadu Industrial Development Corporation Ltd. and Karnataka Industrial Area Development Board respectively. In the year 2012-13, 100 exhibitions took place in the Exhibition Halls

of Chennai Trade Centre. Besides, 120 events took place in the Convention Centre.

Performance rating under MOU

As per the audited results of performance under the Memorandum of Understanding signed between ITPO and the Department of Commerce, for the year 2012-13, ITPO has achieved 'Excellent' grade of performance.

HUMAN RESOURCE MANAGEMENT:

For development of human resources, in-house training programmes in areas of Skill Upgradation for documentation and System using IT Tools was given to 50 employees. Advance training to the Company's Security Staff on Fire Fighting was imparted by Delhi Fire Service. Special training to the Company's Security Staff on handling of Security Gadgets and explosive detector, etc. have been imparted by CISF to improve access control. Besides, one day training programme on First-Aid was organized.

Government of India guidelines, issued from time to time, were followed on reservation in appointment/promotion in respect of SC/ST/OBC etc. During the financial year 2012-13, total of 14 appointments made, 150 officials were promoted and 171 officials were granted personal up-gradation under incentivized Assured Career Progression Scheme (IACPS).

CORPORATE SOCIAL RESPONSIBILITY

The Company under its CSR activities with the help of Social Welfare Department, Government of NCT of Delhi provided to 745 differently-abled persons who were in need of wheelchairs or tricycles, Braille sticks and slates procured from Artificial

Limbs Manufacturing Corporation of India (ALIMCO), Kanpur. In addition, the Company also provided four Ambulances to the Social Welfare Department. Company is taking initiatives for sustainable development keeping in view the interest of all stakeholders in this regard.

CORPORATE GOVERNANCE

ITPO endeavours to achieve the highest level of standards of corporate governance and is in the process of complying with the latest Guidelines of DPE on Corporate Governance. The Audit Committee and Remuneration Committee were reconstituted in line with the Guidelines of DPE. Both the Board and the Audit Committee have been meeting at regular intervals as per DPE's Guidelines. Company is maintaining an 'Excellent' Grade in compliances of Corporate Governance.

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 for their support. 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 hardwork 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 : 23rd October, 2013



A view of the Protocol at Gate No. 1



2012

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***NOTICE OF
ANNUAL GENERAL
MEETING***



Theme area "Skilling India" at IITF 2012

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. INDIA TRADE PROMOTION ORGANISATION WILL BE HELD ON WEDNESDAY THE 23RD DAY OF OCTOBER 2013 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, 2013 and the Statement of Income & Expenditure for the financial year ended on that date together with the report of Directors and the attached Secretarial Compliance Certificate and the Auditors' Report thereon.
2. To 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
DATE: 09.10.2013



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 form is enclosed herewith.

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

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

PLACE: New Delhi
DATE: 09.10.2013

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 _____ or 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 ---- A.M. / P.M. at the Registered Office of the Company and at any adjournment thereof.

Signed this _____ day of _____ 2013

AFFIX
REVENUE
STAMP OF
0.15 PAISE.

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.



Shakuntalam Convention Centre

2012

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***DIRECTORS'
REPORT***



DIRECTORS' REPORT

The Board of Directors of India Trade Promotion Organisation (the Company) has the pleasure of presenting the Company's 36th Annual Report and Audited Statement of Accounts for the financial year ended on 31st March, 2013.

1. FINANCIAL HIGHLIGHTS

The performance of the Company during 2012-13 has resulted in a surplus of Rs. 152.29 crore as compared to Rs. 183.03 crore in the preceding year and the total income generated by the Company during the year is Rs. 336.58 crore as compared to Rs. 373.80 crore in the previous year essentially because four major events were of biennial/triennial nature, which contributed to a surplus of Rs. 107.28 crore and were not scheduled for 2012-13. The total expenditure incurred by the Company during the year was Rs. 184.29 crore as against Rs. 190.77 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

Smt. Rita Menon was appointed as the Chairperson and Managing Director of the Company with effect from 3rd January, 2012 and has since been holding the office. Shri Neeraj Kumar Gupta relinquished the charge of the office of Executive Director of the Company on

25th October, 2012. Shri Asit Kumar Tripathy took over as Executive Director of the Company on 7th November, 2012 and relinquished charge on 23rd January, 2013. Shri Malay Shrivastava took over the charge of the office of Executive Director, on 24th January, 2013 and has since been holding the office. The tenures of other Directors on the Board of the Company are enumerated below:

Sl. No.	Name of Director	From	To
1.	Ms. Anita Agnihotri Additional Secretary & Financial Adviser, Ministry of Commerce & Industry, New Delhi	18.06.2012	Continuing
2.	Shri J.S. Deepak Additional Secretary, Ministry of Commerce & Industry, New Delhi	18.08.2010	Continuing
3.	Shri C.K. Mishra Joint Secretary, Ministry of Micro, Small & Medium Enterprises (MSME), New Delhi	11.05.2012	Continuing
4.	Shri Prabhat Kumar Joint Secretary (ES&ITP), Ministry of External Affairs, New Delhi	24.07.2012	Continuing
5.	Shri S.M. Lodha 72, Poornima, 63 A, Sir Pochkhanwala Road, Worli, Mumbai	12.01.2012	Continuing
6.	Shri Abhijit Basu, Ex-Additional Controller General of Defence Accounts	12.01.2012	Continuing

- | | | | |
|-----|---|------------|------------|
| 7. | Shri D.S. Rawat
Secretary General,
ASSOCHAM,
New Delhi | 12.01.2012 | Continuing |
| 8. | Shri Amarendra Sinha
Additional Secretary,
Ministry of Micro,
Small & Medium
Enterprises (MSME),
New Delhi | 30.11.2010 | 11.05.2012 |
| 9. | Dr. Rajan Katoch
Additional Secretary &
Financial Adviser
Ministry of Commerce
& Industry, New Delhi | 30.11.2010 | 18.06.2012 |
| 10. | Ms. Radhika L. Lokesh
Joint Secretary (ITP),
Ministry of External
Affairs, New Delhi | 07.07.2011 | 24.07.2012 |

3. MEMORANDUM OF UNDERSTANDING (MoU)



Smt. Rita Menon, CMD, ITPO and Shri S.R. Rao, Commerce Secretary on the occasion of Signing of MoU - 2013-14

The Company signs a MoU with its Administrative Ministry namely, Ministry of Commerce & Industry, Government of India every financial year. Accordingly, the MoU for the year 2013-14, was signed on 20th March 2013.

The major highlight of this MoU is the projected surplus of Rs. 100.00 Crore during 2013-14. The MoU also stipulates timeline for submission of the Company's investment proposal to the Union Cabinet for the redevelopment of Pragati Maidan into a modern and state-of-the-art Integrated Exhibition-cum-Convention Centre, for approval.

The other notable targets enshrined in the MoU are that of providing 850 man-days of training to both senior and other employees of the Company during the year, such as reducing electricity and water consumption by 5% and 10%, respectively.

Apart from the above said MoU, the Company signed several bilateral MoUs with other organizations. The first one being the MoU signed with the General Tourism Authority of Qatar on 9th April 2012, for strengthening the relations between the two countries and for supporting as well as developing the means of cooperation in the field of organizing exhibitions based on the mutual interests of the respective countries.

The Company signed another MoU with the Madurai District Tiny & Small Scale Industries Association (MADITSSIA) on 26th July 2012, aimed at enhancing exports from the State of Tamilnadu. The MoU envisages the Company's advising MADITSSIA on seminars, conferences and workshops, as well as on organizing trade fairs and participating in international exhibitions. The MoU also provides for the Company collaborating with MADITSSIA in organizing trade fairs.



The Company signed a MoU with the Gems and Jewellery Export Promotion Council (GJEPC) in order to collaboratively organize the India Gem & Jewellery Fair in Pragati Maidan. Under this MoU, the Company and GJEPC have agreed to host the said exhibition for the next three years as well and propose to scale it up to an international level event.

The Company signed a MoU with the National Book Trust on 14th September 2012, for collaboratively organizing the World Book Fair annually in Pragati Maidan. The World Book Fair is one of the largest events for books and publications, held in India.

4. FOREIGN FAIRS

During the year 2012-13, the Company organized India's national level participation in 22 overseas trade fairs. Of these 22 events, eight were held in Europe, six in Africa/West Asia and North Africa, four in North American Free Trade Association/Latin American Countries, one each in Asia, SAARC & Commonwealth of Independent States regions and Australia. Out of total 22 events, 10 were General Fairs & 12 were specialized Fairs.

Some of the major events included in the above said events are Africa's Big Seven, Johannesburg (South Africa); Summer Fancy Food Show, Washington (USA); SIAL Food Fair, Paris (France); Asia Pacific Leather Fair, Hong Kong; AFL'Artigiano de fiera – International Handicrafts Fair, Milan (Italy); National Hardware Show, Las Vegas; AAPEX, Las Vegas; Saudi Agro Food, Riyadh; ACLE, Shanghai; SIAL, Paris; and Medica (Germany).

That apart, the Company organized the 33rd and 23rd 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 \$ 28.14 million and attracted visits by 2057 business visitors.

During 2013-14, the Company is slated to organize India's national level participation in 33 overseas trade fairs. Out of these 33 events, eight are general fairs & 25 are specialized fairs.

5. MARKETING DEVELOPMENT ASSISTANCE (MDA) & MARKET ACCESS INITIATIVE (MAI) SCHEMES

As 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 2012-13, DoC approved five overseas fairs under MDA Scheme and granted Rs. 30.00 lakhs.

Department of Commerce approved Market Access Initiative (MAI) grant in respect of nine overseas trade fairs, amounting to Rs. 811.45 lakhs.

6. FAIRS IN INDIA

During 2012-2013, 10 national and international trade fairs/exhibitions were organized in India by the Company. Out of these 10, seven were organized in Delhi and three in other cities. The events organized in Pragati Maidan during the year included 2nd Edition of India International Leather Fair, July

5-7, 2012; 18th Delhi Book Fair, September 1-9, 2012; 14th Stationery Fair, September 1-9, 2012; 15th India International Security Expo, September 13-16, 2012; 32nd Edition of India International Trade Fair (IITF), November 14-27, 2012; Nakshatra, February 2-10, 2013; 28th Edition of Aahar – The International Food & Hospitality Fair, March 14-18, 2013. The rest of the three events organized in other cities were the 7th Aahar – the International Food Fair, August 23-25, 2012, Chennai; 28th Edition of India International Leather Fair, January 31- February 3, 2013, Chennai; and International Leather Goods Fair, March 15-17, 2013, Kolkatta.

Fairs Held at Pragati Maidan, New Delhi

The 2nd Edition of India International Leather Fair (IILF), Delhi, July 5-7, 2012 brought on display a comprehensive range of products and services relating to leather industry – Finished Leather, Synthetic Materials, Footwear, Components, Machinery & Equipments, Chemicals, Software and Consultancy Publications were on display at the fair. The fair covered a gross area of 3000 sqm. and 128 exhibitors participated, including 40 from countries such as China, Taiwan, Singapore & Italy. IILF Delhi was held concurrently with the 2nd Edition of “**Expo Riva Schuh India**” organized by Riva Del Garda, Italy. About 3489 business visitors visited the fair out of which 92 were overseas visitors from 23 countries. The overseas visitors were from a host of countries like Australia, Bangladesh, Belgium, China, France, Germany, Hong Kong, Italy, Japan, Nepal, Poland, Oman, Russia, Saudi Arabia, Singapore, South Africa, Sri Lanka, Sweden, Taiwan, The Netherlands, the UAE, the UK and the USA. A theme pavilion titled “A New Colour World – Trend

& Technology Showcase” was set up jointly by CSIR-Central Leather Research Institute (CLRI) and the Company, wherein the best of Indian Merchandise and future trends in colour, style and design were showcased. CLRI also brought out a news- letter titled “New Orientation” at this fair.



India International Leather Fair 2012

18th Delhi Book Fair'2012 and 14th Stationery Fair'2012 were organized concurrently by ITPO in association with the Federation of Indian Publishers from September 01-09, 2012, comprising 230 exhibitors over an area of 5355 sq. mtrs. The then Hon'ble Lt. Governor of Delhi Shri Tejendra Khanna inaugurated the Book Fair. Overseas participation was from



Book Fair 2012



Stationery Fair 2012

the USA, the UK, China & Pakistan. About 3 lakh visitors visited the Fair. The theme for this year was “eBooks”.

The 15th India International Security Expo was organized by the Company during September 13-16, 2012 in Pragati Maidan. The Expo was supported by the Ministry of Home Affairs. The Expo was in line with the Government’s objective of promoting modernization of the Security Sector in consonance with the rising threat perceptions and underlining the scope for continuous rise in this recession-proof industry, since the safety and security of lives and property of people depends on its health. 67



India International Security Fair 2012

companies participated in the Expo including 2 under Barter deal and 14 constituents of the co-organizers. The Expo focused on RFID, Home Land Security, Access Control Systems, Perimeter Protection Devices, Surveillance Devices, Burglar Alarm Systems, Explosive Detection and Disposal Equipments, Aviation Security, Disaster Management and NBCW Protection Equipment, Equipment for Bank & Hospital Security, Information Security Devices, Equipment for Forensic Science Laboratories, Fire Alarm & Fire Fighting Equipments, Radio Communication System, Traffic Monitoring & Management System, Equipment for Counter Terrorism, Insurgency, anti-naxalism, Ballistic and Blast Protection Gears, Bullet Proof Jackets etc.

The Expo drew the attendance of over 3920 visitors, including business/trade visitors from India and overseas. The visitors included high profile buyers from the central & paramilitary forces, State police forces, institutional buyers from trade & industry and policy makers from the Government. Overseas visitors came from Belgium, New Zealand, UK, South Africa, Nigeria, Switzerland, Canada, Russia, Singapore, USA, Netherlands, Germany, Pakistan & Dubai. A number of seminars on topical interests were also organized during the Expo.

The 32nd India International Trade Fair 2012 (IITF’12) was held during November 14-27, 2012 in Pragati Maidan. The fair was inaugurated by Shri Pranab Mukherjee, the President of India. Shri Anand Sharma, Hon’ble Union Minister of Commerce & Industry and Textile was the Guest of Honour. “**Skilling India**” was the theme of IITF’2012. The Uttarakhand was “**Partner State**” and Andaman & Nikobar was the “**Focus State**”.

Giving the Fair a pronounced business dimension, entry to the Fair in the first five days viz. November 14-18, 2012 was exclusively reserved for business and trade visitors.

As many as 6,000 exhibitors including 414 from 26 countries (392 participated in their respective national pavilions and 22 independently) showcased their products and services in the event.

Alongside the event, a number of seminars and conferences on topical interests were also organized during the fair.

Apart from 7181 business visitors from India and abroad including 290 trade delegations from 45 countries and more than 15 lakh general visitors visited IITF'12. 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.

To ensure security and safety of exhibitors and visitors alike, modern security systems were inducted. Visitors' Lounge was shifted to near Gate No. 1 and a large capacity parking area for about 400 vehicles was also created. This resulted in the smooth flow of traffic on Mathura Road and Bhairon Marg.

Modern firefighting equipment was installed in all the exhibition halls, to counter any untoward mishap. Mobile cargo scanners and fire tenders were also deployed as a preventive measure.

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.

The 8th Nakshatra Fair was organized from February 2-10, 2013 in Pragati Maidan. 84 Exhibitors from India participated and approximately 50,000 visitors attended the fair. The theme of the fair was **"How to have a stress free and happy life."** A number of seminars were also organized on the Theme.



Nakshatra Fair 2012

The Company organized the 28th edition of Aahar – The International Food & Hospitality Fair depicting two concurrent exhibitions, namely, **"Food India"** and **"Hospitality India"** during March 14-18, 2013 in Pragati Maidan. As in the past, the event was organized with the support of the Ministry of Food Processing Industries and other Associates. The Fair was inaugurated by Dr. Charan Das Mahant, Hon'ble Union Minister of State for Agriculture and Food Processing Industries. The products on display included processed foods, machinery and equipment for food processing, packaging, milling, poultry farming, dairy and confectionery equipment, air conditioning, refrigeration, cold storage systems, air and water pollution control, laundry, interior and housekeeping equipments, hotel & kitchen equipments, health & fitness equipments as well as consultancy services. The special focus was on Culinary Show. The theme of the Fair was **"Traceability – An Essence of Food Products"**.



Aahar Fair 2012

There were 676 participants, out of which 50 were from countries such as Austria, China, Canada, Denmark, Germany, Italy, Indonesia, Korea, Romania, Singapore, Spain, Sweden, Turkey, Thailand, Malaysia, the UAE and the USA, covering a gross area of over 41,666.84 sq. mtrs.

The Company for the first time executed a turnkey project for Department of Science and Technology in order to mount a National Exhibition of school science projects named INSPIRE, from all over the country. ITPO not only provided the space and services, but also exclusively managed all aspects of the exhibition, including various events, on behalf of Department of Science and Technology.

Fairs held at regional level, outside Delhi

7th Aahar – The International Food Fair'2012 was organized by the Company with the support of Tamil Nadu Trade Promotion Organization & industry associations such as MOFPI, APEDA, NSIC, SIHRA, ARCHI, IFCA/SICA and HOTREMAI in Chennai Trade Centre during August 23-25, 2012. There were 119 participants. 4,469 Business Visitors attended the Fair.

28th India International Leather Fair, January 31 – February 3, 2013 was organized in Chennai Trade Centre with co-sponsors Central Leather Research Institute, Indian Shoe Federation, Indian Finished Leather Manufacturers and Exporters Association, Footwear Design & Development Institute & Indian Footwear Components Manufacturers Association. Dr.(Smt.) D. Purandeswari, Hon'ble Union Minister of State for Commerce, Government of India, inaugurated the Fair. Dr.S.Jagathrakshakan, Hon'ble Union Minister of State for Commerce, Government of India, was the **"Guest of Honour"**. The Fair covered a net area of 9698.5 sqm. There were 439 exhibitors including 159 from 23 countries, namely, Bangladesh, Brazil, China, Finland, France, Germany, Indonesia, Iran, Italy, Korea, Pakistan, Portugal, Saudi Arabia, Singapore, Spain, Sri Lanka, Switzerland, Taiwan (R.O.C.), Thailand, The Netherlands, Turkey, the UAE and the United Kingdom. The entire products and services relating to leather industry were displayed at the Fair such as Finished Leather, Leather Garments, Leather Goods, Footwear, Footwear Components, Machinery & Equipment, Chemicals, Fashion Accessories and Publications etc. ITPO, CLE, CLRI in association with the Indian Leather Sector presented **"Back to Reality"** season through a Theme/Trend pavilion at the Fair. About 22000 business visitors including a large number of buyers visited the Fair. There were about 2810 overseas business visitors from 31 countries. A daily newsletter **"IILF Happenings"** was brought out on the days of the fair giving salient features and important happenings.

18th International Leather Goods Fair (ILGF) was organized by the Company during March

15-17, 2013 at Milan Mela Complex, Kolkata in collaboration with Council for Leather Exports (CLE) and Indian Leather Products Association (ILPA). The fair was also supported by Government of West Bengal. ILGF is a Business to Business fair with the prime motive to promote exports of leather goods from India as well as to invite participation in bigger way of the complimentary sectors of leather goods industry i.e. leather processing chemical companies, leather goods manufacturing companies, components and accessories companies etc. The display profile of the fair included the entire range of leather goods such as handbags, purses, wallets, rucksacs, briefcases, belts, sports goods, shoes, travel bags, industrial leather goods, hand gloves, finished leather and lining leather, components & accessories of leather goods, footwear components and leather garments, leather processing machines, leather goods manufacturing machines and leather processing chemicals. The net area covered by the fair was 912 sqm. of which, the area sold out was 858 sq. mtr. A total of 56 leading companies from different parts of the country participated. The three day B2B fair was attended by 65 overseas buyers including buying agents. Of these, 21 buyers were invited under Market Access Initiative (MAI) Scheme of the Government of India and the remaining buyers visited independently. The buyers were from 21 countries such as Japan, Spain, Australia, Uzbekistan, Romania, Italy, USA, New Zealand, Canada, Bangladesh, Ethiopia, Zimbabwe, Austria, Russia, UK, Argentina, Hong Kong, Germany, The Netherlands and Poland. Out of 56 participants 51 have indicated that they would participate in the next edition of the Fair.

The first ever Auto Ancillary Show was organized in Pune during October 8-12, 2012, with the support of the Ministry of Heavy Industries and Public Enterprises. The fair aimed to provide an ideal platform for manufacturers of autocomponents and assemblies facilitating technology upgradation, tie-ups and joint ventures with overseas companies, which intend to set up manufacturing facilities in India.

7. OTHER EVENTS

Exhibition Halls, Conference Venues and other facilities in Pragati Maidan were made available to the Trade and Industry for facilitating them in organizing Specialized and General Trade Fairs/Exhibitions/Conferences and other events/activities. As many as 74 third party fairs/events were organized in Pragati Maidan by Industry Associations, Central Ministries, Export Promotion Organisations and other Fair Organizers during the year 2012-13. These include mega high profile events like ACETACH 2012, Indian Asean Business Fair 2012, New Delhi World Book Fair 2013, IETF 2013, Wills Life Style Fashion Week And Automechanika India 2013.

Capacity utilization of air-conditioned halls and halls without such facility during 2012-13 were 46.60% and 27.65%, respectively. With an objective of increasing capacity utilization further, the earlier policy of maintaining a 15-day gap between two events with similar display profile has been done away with. Now there is no such mandatory gap in force any more.

During the year 2013-14, 60 Fairs/Exhibitions are scheduled to be organized in Pragati Maidan as on date.



8. TRADE DELEGATIONS

ITPO hosted visits of 35 delegations from different countries including Australia, Brazil, Canada, China, Colombia, Japan, Pakistan, Nigeria, Russia, Saudi Arabia, Thailand, UK, Uruguay, Yemen, Zimbabwe, etc. for trade promotion and arranged meetings for them with the potential Indian companies pertaining to wide range of products and services in trade fairs and on-site meetings during their visits.

9. SEMINARS

34 seminars were organized during IITF and other trade fairs in association with Partner State/Focus State/State Govts./Associations, for the benefit of trade & industry.

10. COOPERATION WITH OTHER TRADE PROMOTION ORGANIZATIONS

The Company being a founder member of the Asia Trade Promotion Forum (ATPF), hosted the Annual Meeting of the CEOs of the Member Trade Promotion Organizations (TPOs) of ATPF at Agra from March 5-7, 2013. This 26th Annual Meeting was attended by 51 delegates from member TPOs of 22 countries. This exclusive conclave elicited lively deliberation among the participants on topics covered by the theme "Role of TPOs in the Globally Connected Markets".

ITPO also became a member of the Indian Convention Promotion Bureau (ICPB) for publishing its activities and promoting Pragati Maidan fair ground.

11. TRADE INFORMATION RELATED ACTIVITIES

The Company brings out a weekly publication titled "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.

The Company operates a Trade Portal at www.tradeportalofindia.org which was set up by the Government of India under the EU-India Trade Investment and Development Programme for promoting trade between India and EU by providing information on the EU member countries as also other countries and regions. At present, this portal contains information on more than 100 countries including 27 countries of EU.

The Portal provides access to KOMPASS database containing details of manufacturers/importers/exporters/agents/department stores/ distributors/wholesalers/traders in respect of 66 countries. KOMPASS is a comprehensive B2B database, with more than 3 million international and domestic companies listed, which links buyers and sellers worldwide.

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 are performed are hosted at various theatres in Pragati Maidan. These programmes include Vocal & Instrumental Music performances and Classical Dances at Shakuntalam Theatre, 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.

Hamsadhvani Theatre plays host to a number of cultural events, State days. State Day Celebrations by participating States are also organized at Lal Chowk Theatre.

Popular Hindi Films are sometimes screened in Shakuntalam Theatre during fairs other than IITF.

Various Theatres are rented out to Fair Organisers who organise exhibitions at Pragati Maidan for trade promotion activities.

Regular screening of films at Shakuntalam Theatre has been discontinued w.e.f. 01.04.2012 and Shakuntalam Theatre has been converted into Shakuntalam Convention Centre for organising Seminars & Conferences.



IITF 2012 - A Folk performance being staged

13. CORPORATE COMMUNICATION SERVICES

Various facets of the Company's activities were highlighted through a meaningful interface with media during the year 2012-13. The

Company had undertaken extensive publicity campaigns through print media (national dailies & trade related specialised magazines), electronic media (Doordarshan, TV Channels, AIR & FM Channels), outdoor publicity and digital promotion through websites, etc. to mobilize participation as well as promote its various events in India and abroad and other activities.

These publicity campaigns were supplemented by brochures, invitation mailers, posters, fair catalogues etc. Write-ups / articles and corporate advertisements were also brought out in select media in India and abroad on the Company's activities and role in trade promotion, to reinforce its corporate image.

Quarterly newsletters 'Darpan' and 'Log On' in Hindi & English, respectively, disseminate information about the Company's activities to trade and industry in India and overseas, including Central Ministries and Departments, State Governments, EPCs, Commodity Boards etc.

14. COMPUTERISATION & TECHNOLOGY ELEVATION

During the year, the Company's Information Technology capabilities were further strengthened in the light of experiences gained, aiming at enhanced web applications for operational excellence. Moreover, e-governance activities were implemented aiming at enhanced transparency, accuracy and reliability. A major initiative of Online booking of space by potential exhibitors was implemented for exhibitions organized by ITPO viz. IITF 2012, Aahar International 2013



& India International Leather Fair 2012. Also electronic facilities viz., internet, e-mailing, business visitor registration were provided for the business visitors in all major events of the Company during the year. Application on various mobile platforms & compatible mobile website viz., m.iitf.in, was created for viewing the details of India International Trade Fair, 2012. This application featured information on fair, exhibitors, products, floor plans, factsheets, facilities, events etc for the visitors.

Corporate website was upgraded through value added features making it more user friendly, citizen centric, better accessibility features & ambience, more communicative, modular with ease of navigation etc. Knowledge Management System, on our corporate website, which hosts the Company's Business Procedure Instructions, Office Orders, Circulars, Notices, drills pertaining to various sections/divisions was regularly updated. Document Management Information System developed by National Informatics Centre (NIC) was implemented for movement and tracking of files & notes on our local area network.

Also, major initiatives have been taken for (i) implementation of robust On-line integrated business software, which will encapsulate best business practices on wide area network (ii) building of a centralized database of exhibitors, organizers & visitors of exhibitions organized by the Company which will help in business mobilization, increased customer reach and dissemination of business information (iii) enhancement of IT security system(s) through upgradation of

technology to the latest available platform and building up redundancy for circumventing technological failures.

15. ADMINISTRATION & HRD

During the year 2012-2013, 150 officials were promoted and 171 officials were granted personal up-gradation under incentivized Assured Career Progression Scheme (IACPS).

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 posts/services for disabled person were also complied.

For development of human resources, in-house training programmes in areas of Skill Upgradation for documentation and System using IT Tools was given to 50 employees. Technical training in respect of canteen employees was also organised. Advance training to the Company's Security Staff on Fire Fighting was imparted by Delhi Fire Service. Special training to the Company's Security Staff on handling of Security Gadgets and explosive detector, etc. have been imparted by CISF to improve access control. Besides, one day training programme on First-Aid was organised for 25 employees.

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 2012-13, total of 14 appointments made as per following details:-

	SC	ST	OBC	UR	Total
Group 'A'	01	01	02	06	10
Group 'C'	-	-	02	02	04

During the year, there were 150 officials promoted. Out of which, there were 23 from SC and 04 from ST categories. Posts were carried forward in cases wherever eligible officials of reserved category were not available.

Birthday of Dr. B.R. Ambedkar was also celebrated on 14th April, 2012 and floral tributes were offered.

16. ARCHITECTURAL SERVICES

Architectural Layout Plans were prepared in house for all the Company's exhibitions organized in Delhi and other regional centres.

The Company continued to render Consultancy Services to various State Government and Central Ministries in matters relating to the design of Pavilions and preparation of Conceptual Design and Drawings as per requirements.

17. EXHIBITION CENTRE AT PRAGATI MAIDAN, NEW DELHI.

Spread over 123.50 acres land in the heart of India's capital – New Delhi, Pragati Maidan offers about 65000 sq. mtrs. Exhibition space in 16 Halls besides 12000 sq. mtrs. of open display area. An area of about 42000 sq. mtrs. Covered space is air conditioned in Hall No. 7, 8, 9, 10, 11, 12, 12A, 14, 15 and 18,

Lounge facility in Hall No. 7, Conference Hall facilities of 200 seating capacity, alongwith Lounge in Hall No.8, Air conditioned Business Development Facilities (2 Nos. of 450 and 650 seating capacity each) at Gate no. 1 and about 25000 sq. mtrs. Non-air conditioned Halls i.e. Hall No. 1,2,3,4,5,6, and 16.

Engineering Wing provides the required facilities/support systems to hold the Exhibitions/Fairs/Conferences at Pragati Maidan and at other Fairs outside Delhi.

The following infrastructure developments at Pragati Maidan were completed in the year 2012-13:

1. Renovation/upgradation of Phoolwari building as a Convention facility.
2. Rehabilitation of Conference Hall 7 at first floor, phase-I (structural work is in progress).
3. Construction of Ticket Booth and Toilet Block at Gate no. 10.
4. Improvement of Cafeteria and Renovation of Toilet Block in Admn. Building.
5. Renovation of Electrical Sub-station No. 8 including repairs of surrounding areas.
6. Renovation of Toilet Blocks at Hall No. 18 (basement) and additional Toilet at mezzanine floor.
7. Providing additional Business Development Facility at Gate No. 1.

The following developments are proposed to be taken up next year 2013-14:

1. Water proofing treatment over domes of Hall No. 18.



2. Replacement of damaged Kota stone flooring at Foyer B at Hall no. 7.
3. Rehabilitation of Conference Hall 7 at first floor, phase-II (interior work).

18. REGIONAL TRADE PROMOTION CENTRES (RTPCs)

Chennai Trade Centre

Set up over an area of 25.48 acres in Nandambakkam at a prime location in Chennai, the centre comprises three 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 Organization (TNTPO), a Joint Venture of ITPO and Tamil Nadu Industrial Development Corporation (TIDCO).

During 2012-13, 100 exhibitions took place in the Exhibition Halls of Chennai Trade Centre. Besides, 120 events took place in the Convention Centre.

Trade Centre, Bangalore

Located at a prime area in White Field, Bangalore and covers an area of 50 acres. It has an air-conditioned exhibition hall of 5371 sq. mtr. has been constructed. 11 open exhibition halls, each with an area of 38 sq. mtr. have been constructed all around the exhibition hall for display of heavy equipments, machineries and setting up of Food Courts, Business Centre etc.

During 2012-13, 35 events were held in Trade Centre, Bangalore. 25.46% of Floor Area utilization was achieved.

19. PROGRESSIVE USE OF THE OFFICIAL LANGUAGE (HINDI)

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 Sulekh & Shrut-Lekh, Hindi essay and Hindi typing competitions were organised during August, 2012 in which cash prizes were awarded to the participants securing first, second and third positions in each competition. In addition, Hindi novel 'Veer Ka Balidan by Vrindavan Lal Verma' was given as incentive to each participant.

Apart from the regular Hindi monthly journal Udyog Vyapar Patrika, Business Visitors Guides, Backgrounder of IITF-2012, Mobilization folders of different exhibitions organised at Pragati Maidan, Annual Report 2011-12, 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) continued to be published.

To encourage Hindi in routine file work of ITPO, an Incentive Scheme has already been introduced. During the year under review, 3 employees were given cash award of Rs. 5000/- each for doing cent-percent work in Hindi, 1 employee was given Rs. 600/- and

other 2 employees were given cash award of Rs. 400/- each.

Two officers represented ITPO in 9th World Hindi Conference, Johannesburg (South Africa), 22-24 September 2012.

20. SECURITY

The achievements and improvements pertaining to Security are as under:

1. It is envisaged to induct the services of Central Industrial Security Force in Pragati Maidan, which is at an advanced stage.
2. Advance training to ITPO Security Staff on Fire Fighting has been imparted by Delhi Fire Service.
3. Special training to ITPO Security Staff on handling of Security Gadgets and explosive detector, etc. have been imparted by CISF to improve access control.

21 VIGILANCE

Vigilance activity in the Company is geared to handle complaints, initiate departmental/disciplinary enquiries, draft legal replies/affidavits/rejoinders, conduct surprise checks as a preventive measure, collect intelligence, accord vigilance clearance, scrutinize annual property returns of employees, furnish returns to CVC, inspect Regional Offices, co-ordinating with CBI etc.

22. SUBSIDIARY COMPANIES

The Company holds 51% equity in each of its two Subsidiary Companies viz. Tamilnadu 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).

23. 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.

24. AUDITORS

M/s. Kishore & Kishore, Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company for the Financial Year 2012-13 by the Comptroller and Auditor General (C&AG), Government of India.

25. 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, 2013 are set out in Annexure-III and forms part of this report.

26. 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 2012-13, therefore, information in respect of disclosure under Section 217(2A) in the Directors' Report may be treated as 'Nil'.

27. CORPORATE GOVERNANCE

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



Guidelines. The Remuneration Committee met for the first time on 25th March 2013.

The Company submitted each of the four Quarterly Reports on compliance with DPE's Guidelines on Corporate Governance to the Department of Commerce during 2012-13, within the specified timelines and reported an Annual Average Pro-rata Score of 88.80% to qualify for an 'Excellent' Grade. A detailed report on Corporate Governance is set out and appended as Annexure-IV which forms part of this Report. Certificate on Corporate Governance is at Annexure-V.

28 CORPORATE SOCIAL RESPONSIBILITY

The Company approached the Social Welfare Department, Government of NCT of Delhi for seeking their help in identifying potential beneficiaries who may be in need of material support for rehabilitation in their day-to-day life. Accordingly, the Department identified 745 differently-abled persons in need of wheelchairs or tricycles and those who need Braille sticks and slates. The entire requirement of these aids and appliances was procured from Artificial Limbs Manufacturing Corporation of India (ALIMCO), Kanpur.

In addition to the above, the Company also provided four Ambulances to the Social Welfare Department. All the aids & appliances and the four Ambulances were handed over to the beneficiaries by the Hon'ble Social Welfare Minister, Government of Delhi, Prof. Kiran Walia.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

SECRETARIAL COMPLIANCE CERTIFICATE

The Secretarial compliance certificate issued by M/s. Chandrasekaran Associates, Company Secretaries, New Delhi is attached at annexure-VII which forms part of this report.

30. 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 the Company has made substantive energy conservation pursuant to an Energy Audit and the installation of energy efficient lighting, air-conditioning etc.
Technology Absorption:	The online space reservation and payment system for ITPO's domestic trade fairs have been made fully operational and henceforth will be a permanent feature in all future domestic fairs. ITPO has initiated work on development of integrated software modules with a view to develop a packaged business software system for automation and integration of the activities/business operations of ITPO to share common data and practices across ITPO both in headquarters and regional offices in a real time environment. During the India International Trade Fair 2012, for the first time, a mobile application was developed and implemented for Smart Phones/ Tablets for viewing information and updates about IITF 2012.

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	The programme of participation in fairs abroad is formulated on the basis of the Foreign Trade Policy of India, focus areas and new markets identified by DoC, bi-lateral as well as multi-lateral trade agreements of India with other countries/ regions, taking into account the views of the Indian Missions abroad as also in-house research.	
Foreign Exchange Earnings And Outgo	Current Year (2012-13) (Rs.)	Previous Year (2011-12) (Rs.)
Earnings	14,22,36,534	10,19,49,828
Outgo	16,20,96,157	17,40,27,498

31. 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.

32. 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: September 24, 2013



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

Annexure-I

Name of the Subsidiary Company	Tamilnadu Trade Promotion Organisation	Karnataka Trade Promotion Organisation
1. Financial Year of the Subsidiary ended on	March 31, 2013	March 31, 2013
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, 2013	Rs. 1105.15 Lakhs.	Rs. 292.55 Lakhs
(b) Cumulative upto the previous financial year ended 31.3.2012 of the Subsidiary Company since it became subsidiary of ITPO	Rs. 3465.52 Lakhs. However, being a Section 25 Company, it is prohibited from declaring any dividend.	Rs. 451.02 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, 2013.	Nil	Nil
(b) Cumulative upto the previous financial year ended 31.3.2012 of the subsidiary company since it became subsidiary of ITPO	Nil	Nil

Sd/-
(P.C. Sharma)
Sr. General Manager
& Company Secretary

Sd/-
(Malay Shrivastava)
Executive Director

Sd/-
(Rita Menon)
Chairperson & Managing Director

Annexure II

INDEPENDENT AUDITOR'S REPORT

To the Members of India Trade Promotion Organisation, New Delhi

Report on the Financial Statements

We have audited the accompanying financial statements of India Trade Promotion Organisation, ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Income and Expenditure and Cash Flow Statement for the year then ended and a summary of significant accounting policies and Notes to Financial statements .

Management's Responsibility for the Financial Statements

The 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 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 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

REPLIES OF THE BOARD



to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgment, 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 statements 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 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. 4 crore during the year (cumulative up to 31.03.2013 Rs. 23.90 crore) for Performance Related Pay (PRP) and releasing Rs. 10.27 crore thereagainst up to 31.03.2013 without approval of the scheme by the Company - Note 9 ;
- b) non -recognition and non-adjustment of discrepancies on physical verification of fixed assets, amount indeterminate - Note 10.2;

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

Factual Statement. Note No. 10.2 of Notes to Financial Statements refers.

c) non-provision of quantified liability of income-tax Rs. 86.06 crore and Rs. 36.76 crore for the Assessment years 2009-10 and 2010-11 respectively and un-quantified liability for the subsequent Assessment years 2011-12, 2012-13 and 2013-14; and showing withheld TDS refunds of Rs. 33.53 crore and deposit of Rs. 6 crore made during the year (total Rs. 39.53 crore) as asset under the head "Income tax Recoverable" on 31.03.2013, when the Income Tax Department has adjusted them against their demand for the Assessment Year 2009-10 - Note 31 ; and

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

d) non-provision of service-tax demand of Rs. 10.88 crore raised last year including interest to the extent determined and penalties, if any, for the years 2006-07 to 2009-10 and further demand of Rs. 0.43 crore for the year 2011-12 raised this year excluding interest and penalties, if any, – amount indeterminate - Note 32;

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

resulting in overstatement of income for the year by Rs. 130.13 crore to the extent quantified with corresponding understatement of current liabilities and provisions by equal amount on 31.03.2013 together with further consequential indeterminate impact of paras b), c) and d) above and further showing assets in excess by Rs. 39.53 crore para c).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations 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.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Income and Expenditure Account, of the income for 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 ;
 - c) the Balance Sheet, Statement of Income and Expenditure, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- 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 211 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 provisions of section 274(1)(g) of the Companies Act, 1956, relating to disqualification of 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: 23rd August, 2013



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 2013

The preparation of financial statements of **India Trade Promotion Organisation** for the year ended 31 March 2013 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 23rd August 2013.

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 2013. 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 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 Auditors' 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: 03 October, 2013

REPORT ON CORPORATE GOVERNANCE

Annexure IV

The Directors present the Company's 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 believes that good governance should 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. ITPO approves holding of international trade fairs in India and regulates holding of various expositions in India primarily to avoid any duplication of efforts while ensuring proper timing. It manages India's world class exhibition complex which is constantly upgraded to keep it in a high standard of readiness."

The main activities and services of ITPO are:

- To promote, organise 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 mobilise the foreign participants to participate in them.
- To organise 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.
- Organising seminars, conferences and workshops on trade-related issues.
- To lease out its exhibition halls and facilities to other organisers for holding trade related events.

The compliance of the Company with DPEs 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, 2013 the Board Comprised of 9 Directors, of which, 2 are Functional Directors including the Chairperson and Managing Director, 4 are Nominee Directors of Government of India and 3 are Independent Directors.

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

2.3 Board Meeting and Attendance

The meetings of the Board of Directors are normally 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.

During the financial year ended 31st March, 2013, 5 Board Meeting were held on 8th June, 2012, 27th August, 2012, 21st November, 2012, 10th December, 2012 and 27th February, 2013, respectively.

Details of number of Board Meeting attended by Directors, attendance at last Annual General Meeting (AGM), Number of other Directorships in (Public Limited Companies)/Committee Memberships (viz. Audit Committee, Remuneration Committee) (other than ITPO), held by Directors during the financial year 2012-13 are tabled below:

Sl. No.	Name of Director	Board Meetings		Attendance at last AGM held on (9 th November, 2011)	As on March 31,2013		
		Held during the tenure	Attendance		No. of other Directorships	No. of other committee Memberships	
						As Chairman	As Member
1	Smt. Rita Menon	5	5	Yes	2	-	-
2	Shri Neeraj Kumar Gupta (up to 25-10-2012)	2	2	No	2	-	-
3.	Shri Asit Kumar Tripathy (up to 23-01-2013)	2	2	No	2		

Sl. No.	Name of Director	Board Meetings		Attendance at last AGM held on (9 th November, 2011)	As on March 31,2013		
		Held during the tenure	Attendance		No. of other Director ships	No. of other committee Memberships	
						As Chairman	As Member
4.	Shri Malay Shrivastava w.e.f. 24-01-2013)	1	1	No	-	-	-
5	Smt. Anita Agnihotri	3	2	No	5		
6	Shri J.S. Deepak	5	3	No	0	-	-
7	Shri C.K. Mishra	5	2	No	1		
8	Shri Prabhat Kumar	4	3	No	2		
9	Dr. Rajan Katoch (up to 18-06-2012)	1	0	No	2	-	-
10	Ms Radhika L. Lokesh (up to 23-7-2012)	1	0	No	0	-	-
11	Shri Abhijit basu	5	5	N.A	-	-	-
12	Shri S.M. Lodha	5	5	N.A	5	-	-
13	Shri D.S. Rawat	5	1	N.A	1	-	-

Note: Directorships in Private Companies, Foreign Companies and Companies under Section 25 of the Indian Companies Act 1956 have been considered.

2.4 Details of directors appointed / reappointed during the financial year ended 31st March, 2013

Sl. No.	Name of Director	Date of Birth	Date of Appointment / Reappointment	Directorship held in other companies	Number of shares held in the Company
01.	Shri C.K. Mishra	16-05-1960	11-05-2012	IIFT	-
02	Ms. Anita Agnihotri	10-10-1956	18-06-2012	01 MMTC 02 STC Ltd. 03 NTC 04 Jute Corporation of India 05 B.I.C. Ltd.	-
03	Sh. Prabhat Kumar	06-05-1967	24-07-2012	01 NSIC Ltd. 02 DSIIDC	-
04	Sh. A.K. Tripathy	23-12-1960	07-11-2012	01 APEDA	-
05	Sh. Malay Shrivastava	23-11-1964	24-01-2013	01 KTPO 02 TNTPO	-

2.5 Information 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 Utilisation.
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

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

Sl No .	Name of Committee Members	Designation	Position in Committee
1.	Abhijit Basu	Independent Director	Chairman
2.	Anita Agnihotri	Part Time official Director	Member
3.	Neeraj Kumar Gupta	Functional Director	Member (Up to 25-10-2012)
4.	Malay Shrivastava	Functional Director	Member
5.	S.M. Lodha	Independent Director	Member
6.	D.S. Rawat	Independent Director	Member

3.2 Meetings of and attendance in the Audit Committee during the year 2012-2013

Four Audit Committee Meetings were held on 12th July, 2012, 27th August, 2012, 30th October, 2012 and 27th February, 2013 during the year 2012-13.

Name of Director	Position in Committee	Meetings	
		Held during the tenure	Attended
Abhijit Basu	Chairman	4	4
S.M. Lodha	Member	4	4
D.S. Rawat	Member	4	1
Anita Agnihotri*	Member	4	1
Neeraj Kumar Gupta**	Member	2	2
Asit Kumar Tripathy***	Member	-	-
Malay Shrivastava****	Member	1	1

* Was appointed as Director on 18.06.2012

** Demitted Office of the Executive Director on 25.10.2012

*** Assumed charge of the Office of Executive Director on 07.11.2012 and demitted Office on 23.01.2013

**** Assumed charge of the Office of Executive Director on 24.01.2013

3.3 Composition of Remuneration Committee

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 Remuneration 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

3.4 Meeting of and attendance in Remuneration Committee during the year 2012-2013.

One Remuneration Committee Meeting was held on 25th March, 2013

Name of Director	Position in Remuneration Committee	Meeting	
		Held during the tenure	Attended
Abhijit Basu	Chairman	1	1
S.M. Lodha	Member	1	1
Anita Agnihotri*	Member	1	1
J.S. Deepak	Member	1	1
C.K. Mishra**	Member	1	0

* Was appointed as Director on 18.06.2012

** Was appointed as Director on 11.05.2012

4. REMUNERATION OF DIRECTORS

Other than the remuneration paid to CMD and ED, 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 Directors.

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
2009-10	30-11-2010	11.30 AM	Pragati Bhawan, Pragati Maidan, New Delhi – 110 001.	Nil
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

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. The Balance Sheet, Income & Expenditure Statement and Cash Flow Statement for the financial year 2012-13 have been prepared as per the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (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.
- (iv) With respect Whistle Blower Policy, the draft Policy has been formulated, pending approval by the Competent Authority.
- (v) Senior management of ITPO has declared that they do not have personal interest which have a potential conflict with the interest of the Company in terms of Clause 7.5.2 of the DPE Guidelines on Corporate Governance.
- (vi) Preparation of consolidated financial statements as per the Accounting Standards – 21, AS – 23 or AS – 27 is not applicable to Company since, ITPO is not a listed company.
- (vii) In the case of “Segment Reporting” as per Accounting Standards – 17, ITPO is following the DPE Guidelines.

(viii) A Comprehensive Risk Management Policy, as per DPE Guidelines, was approved by the Board on 26.03.2013 and has since been implemented.

(ix) No item of expenditure was debited in the Books of Accounts which was not for the purpose of the organization.

(x) No expenses of personal nature of the Members of the Board of Directors were incurred out of the funds of the Company.

(xi) The position of the employees benefit expenses and total expenses is as tabulated below:

S. No.	Particulars	2012-13	2011-12
1.	Employees Benefits Expenses	Rs. 98.86 crore	Rs. 100.54 crore
2.	Total Expenses	Rs. 184.29 crore	Rs. 190.76 crore

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 the replies, thereto, of the management for the financial year 2012-13 incorporated in the Directors’ Report.

9. Training of Board of Directors

Training of Directors on the Board of ITPO was not undertaken during 2012-13. However, faculty from the Institute of Directors, New Delhi conducted the first session of training on 25th June 2013. This was followed by another session on the 23rd of August 2013 focusing

on the implications of the recently passed Companies Bill 2012 for the Board Room.

10. Whistle Blower Policy

ITPO has formulated its own Whistle Blower Policy, which is yet to be approved by the Competent Authority.

11. Corporate Social Responsibility

The Company approached the Social Welfare Department, Government of NCT of Delhi for seeking their help in identifying potential beneficiaries who may be in need of material support for rehabilitation in their day-to-day life. Accordingly, the Department identified 745 differently-abled persons in need of wheelchairs or tricycles and those who need Braille sticks and slates. The entire requirement of these aids and appliances was procured from Artificial Limbs Manufacturing Corporation of India (ALIMCO), Kanpur.

In addition to the above, the Company also provided four Ambulances to the Social Welfare Department. All the aids & appliances and the four Ambulances were handed over to the beneficiaries by the Hon'ble Social Welfare Minister, Government of Delhi, Prof. Kiran Walia.

Sd/-

(Rita Menon)

Chairperson & Managing Director
DIN No. 00543058

Place: New Delhi

Date: September 24, 2013



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
India Trade Promotion Organisation
New Delhi

We have examined the compliance of conditions of Corporate Governance of India Trade Promotion Organisation for the year ended March 31, 2013 as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India (DPE) and annexure mentioned there under.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance as stipulated in above mentioned Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in DPE Guidelines.

We further state that such compliances neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries

Sd/-
Dr. S. Chandrasekaran
Senior Partner
(Membership No. FCS 1644, CP 715)

Place: Delhi
Date: October 8, 2013

Management Discussion and Analysis Report

Growth of ITPO - An Overview

The operations of the Company for the period ended on 31st March, 2013, have yielded a surplus of Rs. 152.29 crores as against Rs 183.03 crores of the fiscal year 2011-12 and Rs 70.87 crores of the fiscal year 2010-11. This measures up to a decrease at the rate of 16.79% and increase at the rate of 114.89%, respectively, over the previous two fiscal years i.e. 2011-12 and 2010-11. The absolute figure of total income generated during 2012-13 is Rs. 336.58 Crores as compared to Rs.373.80 crores in 2011-12 and Rs.305.12 crores during 2010-11.

As per the Memorandum & Articles of Association of the Company, registered under Section 25 of the Companies Act, 1956, no dividend is payable. Therefore, the excess of income over expenditure amounting to Rs. 152.29 crores 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 projected to generate a net surplus of Rs. 100.00 crore during 2013-14. This is based on expectation that the gross turnover will amount to Rs. 225.00 crore and gross margin of Rs. 104.00 crore.

The Company is proposing to re-develop Pragati Maidan into a State-of-the-Art Integrated Exhibition-cum-Convention Centre in a phased manner. Phase I of the project is envisaged to commence in early-to-mid 2014.

It is also part of the Company's image building exercise that all of the fairs organized by it are expected to be registered with the Registrar of Trade Marks, during 2013-14.

Cooperation with other Trade Promotion Organizations

ITPO is networking with International Organisations in the areas of Trade and Commerce through membership or collaborative arrangements such as Memorandum of Understanding (MoU). ITPO signed an MoU with the General Tourism Agency of Qatar covering exchange of information on each other's area of activities including exchange of publications and calendar of events to be organized by the parties in their respective countries. Among the National Organisations, ITPO signed an MoU with



Madurai District Tiny & Small Scale Industries Association (MADITSSIA) for co-operation in the field of trade promotion.

ITPO is also a founder member of Asia Trade Promotion Forum (ATPF) and hosted the annual meeting of ATPF CEOs at Agra from March 5-7, 2013. The meeting was attended by 51 delegates from member TPOs from 22 countries, including ITPO and was marked by lively deliberations on topics covered by the theme adopted for the 26th meeting, "Role of TPOs in the Globally Connected Markets".

ITPO also became a member of the Indian Convention Promotion Bureau (ICPB) for publishing its activities and promoting Pragati Maidan fair ground.

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 on the various Government Policies and the prevailing economic conditions, results may differ from those expressed or implied herein.

SECRETARIAL COMPLIANCE CERTIFICATE

CIN : U74899DL1976NPL008453
Nominal Capital : Rs. 50, 00,000/-

To

The Members
M/S INDIA TRADE PROMOTION ORGANISATION
PRAGATI BHAWAN
PRAGATI MAIDAN
NEW DELHI-110001

We have examined the registers, records, books and papers of M/s India Trade Promotion Organisation (a section 25 company) having its registered office at Pragati Bhawan, Pragati Maidan, New Delhi-110001 (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 financial year ended on 31.03.2013 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, within the time prescribed including with additional fees, if delayed, under the Act and the Rules made there under.
3. The Company, being a Section 25 Company is not required to have minimum prescribed paid-up capital and its number of members during the said financial year was three excluding its present and past employees and the Company during the year under review:
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 5(Five) times during the year respectively on 08.06.2012, 27.08.2012, 21.11.2012, 10.12.2012, and 27.02.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.



5. The Company was not required to close its Register of Members, or debenture holders during the financial year.
6. The 35th Annual General Meeting for the financial year ended on 31.03.2012 was held on 21.11.2012 after giving notices to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose. The necessary approval for the extension of holding Annual General Meeting has been obtained from the Registrar of Companies vide its letter dated 17-09-2012 as per the relevant provisions of the Act.
7. No extra-ordinary General Meeting was held during the financial year under review.
8. The Company being a private company, section 295 of the Act is not applicable.
9. The Company has not entered into any contracts during the year falling within the purview of section 297 of the Act during the financial year 2012-13.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government during the year.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company :
 - (i) Has delivered all certificates on lodgment thereof for transfer of shares during the period under review in accordance of the provisions of the Act. There was no allotment of the securities during the financial year.
 - (ii) Being incorporated under Section 25 of the Companies Act, 1956, is prohibited from paying any dividend to its members. Accordingly, it was not required to deposit any amount in a separate Bank Account.
 - (iii) Was not required to post warrants to any member of the Company as the Company is incorporated under Section 25 of the Companies Act, 1956 and is prohibited from paying any dividends to its members.
 - (iv) Has transferred the amounts in unpaid dividend account, 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 to Investor Education and Protection Fund.

NOT APPLICABLE
 - (vi) Has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors is made by the President of India as per the Article of Association of the Company.

15. The Company being a private company, provisions of section 269 of the Act with regard to appointment of Managing Director / Whole-time Director / Manager is not applicable.
16. The Company has not appointed any sole selling agents during the financial year. The Company being a Government Company, the provisions of Section 294 and Section 294AA are not applicable.
17. The Company has obtained the approval from the Registrar of Companies vide its letter dated 17-09-2012 for the extension of time to hold the Annual General Meeting of the Company for the financial year ended March 31, 2012 as prescribed under the various provisions of the Act.

Except as stated above, the Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities as prescribed under the various provisions of the Act.

18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As the Company has not issued any preference shares or debentures, there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A and rules made thereunder during the financial year.
24. The Company being a private company, the borrowing made during the financial year does not attract provisions of section 293(1) (d) of the Act.
25. The Company, being a private Company, the provision of section 372A of the Act is not applicable
26. 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 year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects clause of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.



30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company, for committing offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees as contemplated under Section 418 of the Act.

For CHANDRASEKARAN ASSOCIATES
Company Secretaries

Sd/-

(RUPESH AGARWAL)

PARTNER

CP NO. 5673 ACS NO. 16302

PLACE: New Delhi

DATE: October 08, 2013

Registers as maintained by the Company

Statutory Registers

1. Register of Members u/s.150
2. Minutes Books for meetings of the Shareholders and Committee u/s. 193
3. Minutes Books for meetings of the Board and Committee of Directors u/s. 193
4. Register of Contracts in which Directors are interested u/s. 301
5. Register of Directors, Managing Director / Whole Time Director
Manager and Secretary u/s. 303
6. Register of Directors shareholding u/s 307

Other Registers

1. Register of Share Transfers
2. Attendance Register of Directors
3. Attendance Register of Shareholders



Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2013.

Sl. No.	Form No.	Filed under section	SRN	Date of filing	Purpose of Filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
01	Form 32	303	B40744229	07.06.2013	Appointment of Mr. Chandra Kishore Mishra as a non executive Nominee Director of the Company as a nominee of Government of India w.e.f 11.05.2012 and Resignation of Mr. Amrendra Sinha from the designation of Nominee Director of the Company w.e.f 11.05.2012.	Yes	NA
02	Form 32	303	B43598572	18.07.2012	Appointment of Ms. Anita Agnithotri as a non Executive Nominee Director of the Company as a nominee of Government of India w.e.f 18.06.2012 and Resignation of Mr. Rajan Katoch from the designation of Nominee Director of the Company w.e.f. 18.06.2012	Yes	NA

Sl. No.	Form No.	Filed under section	SRN	Date of filing	Purpose of Filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
03	Form 32	303	B5588183	22.08.2012	Appointment of Mr. Prabhat Kumar as a Non-Executive Nominee Director of the Company as a nominee of Government of India w.e.f 24.07.2012 and Resignation of Ms. Radhika Lal Lokesh from the designation of Nominee Director of the Company w.e.f. 24.07.2012	Yes	NA
04	Form 61	166	B57507188	13.09.2012	Application to ROC for extension of period of annual general meeting by three months under section 166(1) for the year ended on 31.03.2012	Yes	NA
05	Form 23	303	B60208675	22.10.2012	Registration of resolution passed by the Board of Directors of the Company in their meeting held on 03.02.2012 for appointment of Ms. Rita Menon Pursuant to office order, whichever is earlier	No	Yes



Sl. No.	Form No.	Filed under section	SRN	Date of filing	Purpose of Filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
06	Form 23		B60209004	22.10.2012	Registration of resolution passed by the Board of Directors of the Company in their meeting held on 29.08.2011 for appointment of Mr. Rajeev Kher as Chairman-cum-Managing Director for a period of three months with immediate effect Pursuant to office order No. A-12022/05/2006-E. IV of Ministry of Commerce & Industry dated 10.08.2011	No	Yes
7	Form 66	383	P92947878	29.10.2012	Submission of compliance certificate with the Registrar of Companies for the financial year ended on 31.03.2011 and Annual General Meeting dated 09.11.2011	No	Yes
8	Form 23		B 63955215	15-12-2012	Alteration of Object Clause of MOA i.e. to undertake promotion of trade in goods and services connected with or relation to fairs, exhibitions, convention in India and abroad.	Yes	NA

Sl. No.	Form No.	Filed under section	SRN	Date of filing	Purpose of Filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
9	Form 20 B	159	P84499078	16-01-2013	Submission of Annual Return for the year ended on 31.03.2012 and Annual General Meeting dated 21.11.2012	Yes	NA
10	Form 23 AC & ACA-XBRL	220	P84294099	08.01.2013	Filing of Audited Annual Accounts for the year ended on 31.03.2012 and Annual General Meeting dated 21.11.2012	Yes	NA
11	Form 32	303	B68224898	18.02.2013	Cessation of Mr. Neeraj Kumar Gupta w.e.f. 25/10/2012	No	Yes
12	Form 32	303	B68314780	19.02.2013	Apponment of Asit Kumar Tripathy as a Director w.e.f 02/11/2012	No	Yes
13	Form 32	303	B68520618	21.02.2013	Appointed Malay Shrivastava as a whole time Director w.e.f. 24/01/2013 and cessation of Asit Kumar Tripathy w.e.f. 24/01/2013	Yes	NA
14	Form 66	383	Q06419501	01.02.2013	Submission of compliance certificate with the Registrar of Companies for the financial year ended on 31.03.2012 and Annual General Meeting dated 21.11.2012	No	Yes



A view of foreign pavilion at IITF 2012



Accounts



Theme area "INSPIRE 2012" organized for Deptt. of Science & Technology by ITPO

36th ANNUAL REPORT

2012 13

BALANCE SHEET AS AT 31st MARCH, 2013

(All amounts in Rs.)

Particulars	Notes	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	25,00,000	25,00,000
(b) Reserves & Surplus	4	11,12,66,50,352	9,60,37,11,301
		11,12,91,50,352	9,60,62,11,301
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	5	3,54,67,194	5,01,08,519
(b) Long-Term Provisions	6	51,96,41,939	48,21,14,554
		55,51,09,133	53,22,23,073
(3) Current Liabilities			
(a) Trade Payables	7	13,03,06,531	15,54,77,483
(b) Other Current Liabilities	8	66,84,55,179	58,43,04,349
(c) Short-Term Provisions	9	31,37,66,924	27,14,37,077
		1,11,25,28,634	1,01,12,18,909
Total		12,79,67,88,119	11,14,96,53,283
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		54,56,92,339	58,00,23,073
(ii) Intangible Assets		25,33,742	-
(iii) Capital Work in Progress		5,41,98,747	83,68,781
(iv) Intangible Assets under Development		62,00,000	-
		60,86,24,828	58,83,91,854
(b) Non-Current Investments	11	12,20,51,250	12,20,51,250
(c) Long-Term Loans and Advances	12	14,55,54,821	16,97,00,826
(d) Other Non-Current Assets	13	3,75,34,195	4,05,68,383
		30,51,40,266	33,23,20,459
(2) Current Assets			
(a) Current Investments	14	24,01,212	22,24,267
(b) Trade Receivables	15	9,12,51,633	11,05,80,059
(c) Cash and Bank Balances	16	9,72,17,51,959	8,29,99,96,053
(d) Short-Term Loans and Advances	17	1,61,23,65,886	1,36,09,61,712
(e) Other Current Assets	18	45,52,52,335	45,51,78,879
		11,88,30,23,025	10,22,89,40,970
Total		12,79,67,88,119	11,14,96,53,283

Significant accounting policies.

2

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

Sd/-
(P.C.Sharma)
Senior General Manager
& Company Secretary

Sd/-
(B.L.Meena)
Officer on Special
Duty & Financial Advisor

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: 23/08/2013



STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31st MARCH 2013

(All amounts in Rs.)

Particulars		Notes	For the year ended 31.03.2013	For the year ended 31.03.2012
I	Income			
	Revenue from Operations	19	2,22,55,00,714	2,73,18,65,507
	Other Income	20	1,11,08,89,664	96,50,56,501
	Total Income		3,33,63,90,378	3,69,69,22,008
II	Expenses			
	Employee Benefits Expenses	21	98,86,32,949	1,00,54,08,535
	Depreciation and Amortization Expenses	22	4,71,94,129	4,38,00,668
	Other Expenses	23	80,70,78,868	85,55,02,822
	Total Expenses		1,84,29,05,946	1,90,47,12,025
III	Excess of Income over Expenditure before Exceptional, Prior Period, Extraordinary Items and Tax		1,49,34,84,432	1,79,22,09,983
	Prior Period Adjustments (Net)	24	10,40,573	(29,29,819)
	Exceptional Items	25	2,84,14,046	4,10,30,622
IV	Excess of Income over Expenditure before Tax		1,52,29,39,051	1,83,03,10,786
V	Tax Expenses	31	-	-
VI	Excess of Income over Expenditure for the period		1,52,29,39,051	1,83,03,10,786
VII	Earnings per equity share of Rs.100 each	26		
	(1) Basic		60,918	73,212
	(2) Diluted		60,918	73,212

Significant accounting policies.

2

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

Sd/-
(P.C.Sharma)
Senior General Manager
& Company Secretary

Sd/-
(B.L.Meena)
Officer on Special
Duty & Financial Advisor

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: 23/08/2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

(All amounts in Rs.)

	For the Year ended 31st March 2013		For the Year ended 31st March 2012	
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Excess of income over expenditure before Tax and Extraordinary Items			
		1,52,29,39,051		1,83,03,10,786
	Adjustments For:			
	Depreciation and Amortisation Expenses	4,71,94,129		4,38,00,668
	Profit on Sale of Fixed Assets	(97,388)		(4,68,489)
	Interest & Dividend Income	(96,48,00,069)		(75,52,94,891)
	Provisions	5,27,56,037		13,70,05,682
	Provisions/Liabilities No Longer Required	(2,84,14,046)		(4,10,30,622)
	Assets Written Off	-		10,138
		(89,33,61,337)		(61,59,77,514)
		62,95,77,714		1,21,43,33,272
	Operating Profit before working capital changes			
	Increase/Decrease in Other Long Term Liabilities	(1,46,41,325)		3,45,68,800
	Increase/Decrease in Long Term Provisions	3,75,27,385		6,15,52,526
	Increase/Decrease in Trade Payables	(2,51,70,952)		(39,34,56,024)
	Increase/Decrease in Other Current Liabilities	8,41,50,830		55,93,113
	Increase/Decrease in Short Term Provisions	4,23,29,847		5,62,71,287
	Increase/Decrease in Long Term Loans & Advances	2,41,46,005		(3,13,45,541)
	Increase/Decrease in Other Non-Current Assets	30,34,188		(13,18,675)
	Increase/Decrease in Trade Receivables	1,93,28,426		(85,52,803)
	Increase/Decrease in Short Term Loans & Advances	(30,03,70,053)		61,66,523
	Increase/Decrease in Other Current Assets	(38,63,614)		(13,01,88,807)
	Provisions/Liabilities No Longer Required	2,84,14,046		(10,51,15,217)
		(10,51,15,217)		4,10,30,622
		52,44,62,497		(35,96,78,979)
	Net Cash from Operating Activities [A]			
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets	(6,81,85,212)		(3,72,386)
	Sale of Fixed Assets	8,55,497		5,35,714
	Investments & Intercompany Deposits	(1,76,945)		(65,01,68,426)
	Interest & Dividend Income	96,48,00,069		75,52,94,891
		89,72,93,409		10,52,89,793
		NIL		NIL
C	CASH FLOW FROM FINANCING ACTIVITIES [C]			
	Net Increase / Decrease in Cash and Cash equivalents [A + B + C]			
		1,42,17,55,906		95,99,44,086
	Cash and Cash equivalents at the beginning of the year			
		8,29,99,96,053		7,34,00,51,967
	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 at the end of the year			
	Cash in Hand and Cash Equivalents	10,47,659		18,82,000
	Balance with Banks - in Current & Saving Accounts	36,07,16,301		40,81,14,053
	Balance with Banks - in Deposit Accounts	9,35,99,87,999		7,89,00,00,000
		9,72,17,51,959		8,29,99,96,053

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

Sd/- (P.C.Sharma) Senior General Manager & Company Secretary	Sd/- (B.L.Meena) Officer on Special Duty & Financial Advisor	Sd/- (Malay Shrivastava) Executive Director	Sd/- (Rita Menon) Chairperson & Managing Director
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AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of India Trade Promotion Organisation for the year ended 31st March, 2013. 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 23, 2013 to the members of the Company.

Kishore & Kishore
Chartered Accountants

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

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 are reduced from the cost of specific 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

- g** Expenditure incurred through CPWD on Civil, Electrical and Horticulture work, is accounted for on the basis of accounts rendered by them.
- h** Income and Expenditure relating to earlier years, not exceeding Rs.10,000 in each case, are treated as pertaining to current year.
- i** Income from dividend is accounted for as and when declared.
- j** In cases where contracts with licensee(s) have expired, dues are accounted for provisionally on the basis of expired contracts/revised accords till final decision in the matter is reached/ revised contracts executed.

2.2 FIXED ASSETS

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

2.3 DEPRECIATION

- a** Assets costing Rs.5,000 or less individually are depreciated @ 100%.
- b** Depreciation is calculated on the straight line method on pro-rata basis from/up to the month of addition/deletion at the rates determined by the management. These rates are not lower than the rates prescribed in the Companies Act, 1956.
- c** Leasehold land acquired on perpetual lease basis is not amortized.

2.4 INTANGIBLE ASSETS

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

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.



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

- b Items of income and expenditure relating to foreign currency transactions are accounted for at the average rate of remittances abroad.
- c The fixed assets are accounted at the average rate of remittance(s) in the year of acquisition. In case previous funds are utilised, average rate of the previous remittance(s) is taken for the purpose of conversion.

3 SHARE CAPITAL

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (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 31.03.2013	
	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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

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

	As at 31.03.2013	
	No. of shares	% age
Equity Shares of Rs. 100 each fully paid		
Government of India	25,000	100

4 RESERVES AND SURPLUS

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (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	8,96,75,05,698	7,13,71,94,912
Add: Surplus for the year	1,52,29,39,051	1,83,03,10,786
Closing Balance	10,49,04,44,749	8,96,75,05,698
	11,12,66,50,352	9,60,37,11,301

Includes unspecified grant of 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)
5 OTHER LONG TERM LIABILITIES

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Others		
Income Received in Advance	3,54,67,194	5,01,08,519
	3,54,67,194	5,01,08,519

6 LONG TERM PROVISIONS

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Provision for Employees' Benefits (Refer Note 34)		
-Gratuity	36,26,00,882	33,11,80,791
-Leave Enchashment	15,70,41,057	15,09,33,763
	51,96,41,939	48,21,14,554

7 TRADE PAYABLES

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Trade Payables #	13,03,06,531	15,54,77,483
	13,03,06,531	15,54,77,483

DUES TO MICRO,SMALL & MEDIUM ENTERPRISES

There are no Micro, Small & Medium Enterprises to whom the Company owes dues as at 31st March 2013. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

8 OTHER CURRENT LIABILITIES

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Income Received in Advance	27,88,36,916	19,03,44,000
Security Deposits	3,44,45,362	3,07,78,645
Advance Payments and Deposits	20,73,16,262	19,22,84,721
Employees' Benefits Payable	4,80,67,303	6,69,80,875
Statutory Dues	2,85,06,255	4,95,75,267
Other Payables	7,12,83,081	5,43,40,841
	66,84,55,179	58,43,04,349

9 SHORT TERM PROVISIONS

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
(a) Provision for Employees' Benefits		
-Gratuity (Refer Note 34)	4,15,14,201	3,38,78,595
-Leave Enchashment (Refer Note 34)	2,00,23,457	1,47,07,956
-Performance Related Pay #	23,89,93,046	19,89,93,046
(b) Others		
-Provision for Refund of Contingency Charges	1,32,36,220	2,38,57,480
	31,37,66,924	27,14,37,077

The Provision has been made in accordance with the guidelines of the Department of Public Enterprises on the subject. During the year, the Member Audit Board observed that as per the DPE Guidelines dated 26.11.2008, the 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. The Company has clarified that the DPE Guideline on revision of pay scales w.e.f. 1.1.2007 which inter-alia includes payment of PRP also, 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. This view point of the Company has not been accepted by the Member Audit Board. The matter is being taken up with Department of Public Enterprises. The Company is hopeful of a positive response from the concerned authorities in the matter. Further, pending in principle approval and formulation of the PRP scheme, ad-hoc payments amounting to Rs. 10,27,33,416 (Previous Year Rs. 7,75,45,924) were released to the employees till 31.3.2013 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.



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

10 FIXED ASSETS

Particulars of Assets	Rate of Depreciation (%)	G R O S S B L O C K A T C O S T			
		As at 31.03.2012	Additions during the year	Deductions / Adjustment	As at 31.03.2013
(A) TANGIBLE ASSETS					
LAND (ON PERPETUAL LEASE)		74,66,715			74,66,715
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			36,46,551
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%	28,29,73,939	34,29,530	6,02,072	28,70,05,541
AIR CONDITIONING/ AIR VENTILATION PLANTS	10.00%	62,47,197			62,47,197
FURNITURE & FIXTURE	10.00%	2,47,79,759	4,04,381	-16,49,896	2,35,34,244
VEHICLES	20.00%	2,40,26,255		-12,84,465	2,27,41,790
AUDIO VISUAL EQUIPMENTS	20.00%	80,01,249			80,01,249
AUDIO VISUAL EQUIPMENTS	22.50%	5,91,264		-2	5,91,262
FIRE HYDRANT & FIRE FIGHTING SYSTEMS	10.00%	3,07,46,919	38,01,316		3,45,48,235
OFFICE EQUIPMENTS / OTHER					
MISCELLANEOUS ASSETS	12.50%	6,95,97,221	5,48,948	-59,15,802	6,42,30,367
COMPUTERS / DATA PROCESSORS	17.10%	8,71,76,576	47,63,377	-83,94,177	8,35,45,776
T O T A L		1,06,87,55,811	1,29,47,552	-1,66,42,270	1,06,50,61,093
(B) INTANGIBLE ASSETS					
COMPUTER SOFTWARES		7,38,437	38,00,613		45,39,050
(C) CAPITAL WORK IN PROGRESS					
		83,68,781	4,98,26,083	-39,96,117	5,41,98,747
(D) INTANGIBLE ASSETS UNDER DEVELOPMENT					
			62,00,000		62,00,000
GRAND TOTAL		1,07,78,63,029	7,27,74,248	-2,06,38,387	1,12,99,98,890
PREVIOUS YEAR FIGURES		(1,07,90,91,459)	(4,52,18,803)	(-4,64,47,233)	(1,07,78,63,029)

1. Depreciation includes Rs. 36,952 (Rs. 4,11,950) in respect of assets costing Rs 5,000 or less each, depreciated @ 100%.
2. The physical verification of fixed assets was conducted by a professional firm as on 31.03.2013. The report on the physical verification was received in July'2013. Reconciliation in respect of discrepancies reported in the physical verification report and book balances is being carried out. As such, the resultant financial impact, if any is not ascertainable at this stage.
3. Based on a study carried out by a professional firm, no case of Impairment of Assets exists as at 31st March, 2013 under The provisions of Accounting Standard - 28 on Impairment of Assets.
4. Assets costing Rs. 1,40,91,119 - depreciated value Rs. 6,60,199 were auctioned during the year alongwith unserviceable materials. As the sale price of individual items of assets is not ascertainable, the depreciated value at the time of auction has been taken as the sale price of the assets sold.

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D E P R E C I A T I O N			NET BLOCK		(All amounts in Rs.) NET BLOCK	
Upto 31.03.2012	Deduction / Adjustment	For the year	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012	
				74,66,715	74,66,715	
				1	1	
14,34,71,735		78,56,700	15,13,28,435	17,46,68,049	18,25,24,749	
97,01,816		8,39,752	1,05,41,568	90,28,218	98,67,970	
42,37,027		9,66,133	52,03,160	80,05,991	89,72,124	
				1	1	
54,48,398		5,22,404	59,70,802	1,60,25,216	1,65,47,620	
24,24,944		86,605	25,11,549	11,35,002	12,21,607	
20,34,624			20,34,624	1,07,081	1,07,081	
10,98,43,056		21,37,790	11,19,80,846	2,20,50,524	2,41,88,314	
29,53,038		4,18,306	33,71,344	31,86,306	36,04,612	
3,59,06,288		1,82,17,305	5,41,23,593	23,28,81,948	24,70,67,651	
58,65,366		69,470	59,34,836	3,12,361	3,81,831	
2,04,86,286	-15,99,318	5,94,846	1,94,81,814	40,52,430	42,93,473	
1,99,64,205	-12,20,243	9,73,206	1,97,17,168	30,24,622	40,62,050	
71,74,824		1,80,015	73,54,839	6,46,410	8,26,425	
5,61,838			5,61,838	29,424	29,426	
80,24,255		32,51,989	1,12,76,244	2,32,71,991	2,27,22,664	
3,91,89,828	-44,91,624	48,54,019	3,95,52,223	2,46,78,144	3,04,07,393	
7,14,45,210	-79,80,057	49,58,718	6,84,23,871	1,51,21,905	1,57,31,366	
48,87,32,738	-1,52,91,242	4,59,27,258	51,93,68,754	54,56,92,339	58,00,23,073	
7,38,437		12,66,871	20,05,308	25,33,742	-	
				5,41,98,747	83,68,781	
				62,00,000	-	
48,94,71,175	-1,52,91,242	4,71,94,129	52,13,74,062	60,86,24,828	58,83,91,854	
(44,71,93,960)	(-15,23,453)	(4,38,00,668)	(48,94,71,175)	(58,83,91,854)		



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

11 NON-CURRENT INVESTMENTS (AT COST)

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (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 Tamil Nadu 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 Co-operative 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,2013 (Contd.)

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

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Capital Advances	4,53,47,082	6,12,39,242
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 #	1,85,42,447	2,72,09,082
Prepaid Expenses	2,38,133	-
Sundry Deposits	54,09,492	52,33,872
Less: Provison for Doubtful Sundry Deposits	(13,59,283)	(13,58,320)
	40,50,209	38,75,552
	14,55,54,821	16,97,00,826

Includes

a) Due from Directors	Nil	Nil
b) Due from officers in the nature of loan	7,90,000	14,29,420
c) Fully secured/secured against personal guarantee	1,85,42,447	2,72,09,082

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

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Others		
Interest Accrued on Advances to Employees	3,75,34,195	4,05,68,383
	3,75,34,195	4,05,68,383



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

14 CURRENT INVESTMENTS

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Quoted (at cost)		
1,85,096 (previous year 1,76,945) units of Rs.10 each in UTI-Balance Fund Scheme under reinvestment plan	24,01,212	22,24,267
	24,01,212	22,24,267
(i) Market value of quoted investments	40,23,432	37,03,459
(ii) Aggregate provision for diminution in the value of investments	Nil	Nil

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

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Outstanding for a period exceeding six months from the date they became due for payment		
-Considered Good	3,90,30,410	5,02,41,001
-Considered Doubtful	15,44,14,828	16,05,25,643
	19,34,45,238	21,07,66,644
Less: Provision for Doubtful Receivables	(15,44,14,828)	(16,05,25,643)
	3,90,30,410	5,02,41,001
Outstanding for a period less than six months from the date they became due for payment		
-Considered Good	5,22,21,223	6,03,39,058
-Considered Doubtful	-	4,83,176
	5,22,21,223	6,08,22,234
Less: Provision for Doubtful Receivables	-	(4,83,176)
	5,22,21,223	6,03,39,058
	9,12,51,633	11,05,80,059

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

16 CASH & BANK BALANCES

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Cash & Cash Equivalents		
- Balances with Banks in Current/Saving Accounts #	36,07,16,301	40,81,14,053
- Bank Deposits upto 3 months original maturity	20,00,00,000	25,00,00,000
- Drafts /Cheques on Hand	2,05,832	9,26,467
- Cash on Hand	5,53,419	7,70,844
- Postage Imprest	1,05,986	64,701
- Remittance in Transit	-	1,19,988
- Gold Coins on hand	1,82,422	-
	56,17,63,960	65,99,96,053
Other Bank Balances		
- Bank Deposits with more than 3 months but upto 12 months original maturity	8,80,99,87,999	4,92,00,00,000
- Bank Deposits with original maturity for more than 12 months	35,00,00,000	2,72,00,00,000
	9,72,17,51,959	8,29,99,96,053

Includes

(i) Lying in foreign countries	21,48,383	18,54,059
(ii) Out of (i) above, unconfirmed on the date of the Balance Sheet	Nil	4,82,715

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)
17 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD, UNLESS STATED OTHERWISE)

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Loans & Advances to Subsidiaries		
-TNTPO	2,93,427	9,74,426
-KTPO	61,27,732	58,79,121
Others		
Advances to Employees #	12,13,25,832	9,94,98,293
Advances to Parties	11,85,14,398	12,04,41,245
	23,98,40,230	21,99,39,538
Less: Provision for Doubtful Advances	(56,85,749)	(58,81,534)
	23,41,54,481	21,40,58,004
Service Tax Recoverable	-	69,19,185
Income Tax/ TDS Recoverable	66,70,44,915	38,02,40,592
Less: Provision for Doubtful Recovery of TDS	(4,88,38,000)	-
	61,82,06,915	38,02,40,592
Prepaid Expenses	35,83,331	28,90,384
Inter-Corporate Deposits	75,00,00,000	75,00,00,000
	1,61,23,65,886	1,36,09,61,712

Includes

a) Due from Directors	Nil	10,620
b) Due from Officers in the nature of loan	8,78,000	12,28,490
c) Fully secured/secured against personal guarantee	1,07,15,305	1,22,33,866

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

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

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Grant recoverable from Government of India	19,52,41,306	24,11,52,670
Less: Provision for Doubtful Recovery of Grant	(13,92,83,664)	(13,70,04,537)
	5,59,57,642	10,41,48,133
Interest Accrued on Saving Bank Accounts / Deposits	39,16,81,249	33,53,48,970
Interest Accrued on Advances to Employees	36,76,530	26,90,182
Consumable Stores (valued at cost)	9,80,467	7,93,120
Due from Indian Missions Abroad	22,83,710	1,01,14,806
Due from parties in respect of Deposit Works	45,71,920	44,71,820
Less: Provision for Doubtful Dues	(38,99,183)	(23,88,152)
	6,72,737	20,83,668
	45,52,52,335	45,51,78,879

19 REVENUE FROM OPERATIONS

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Space Rent (Net) #	1,99,68,79,216	2,45,02,96,183
Sale of Entry Tickets / Seasonal Passes	7,09,04,290	11,04,96,914
Sale of Publications	6,78,100	5,94,691
Sale of Film Show Tickets	-	18,72,632
Advertisement (Publications)	28,74,243	24,70,828
Hoardings	3,78,46,191	2,91,08,542
Subscription Fee	12,01,492	16,43,282
Recovery for Various Services Provided	3,13,69,876	2,54,32,412
Recovery of Electricity & Water Charges	8,37,47,306	10,99,50,023
	2,22,55,00,714	2,73,18,65,507

Rs. 1,97,01,000 has not been recognised as income for the year (cumulative upto 31.03.2013 - Rs. 25,16,54,158) in accordance with AS-9 as the same is being disputed by the two parties.



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

20 OTHER INCOME

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Interest on		
-Bank Deposits	87,41,24,856	68,10,48,374
-Income Tax Refunds	1,98,73,069	60,19,462
-Advances to Staff	32,31,408	42,21,004
-Others	6,73,93,790	6,38,37,625
	96,46,23,123	75,51,26,465
Dividend from UTI	1,76,946	1,68,426
Profit on Sale of Assets	97,388	4,68,489
Difference in Exchange (net)	15,074	47,55,259
Miscellaneous Income #	6,87,26,031	13,80,69,684
Revenue Grant from Government of India	7,72,51,102	6,59,18,178
Revenue Grant from Government of West Bengal		5,50,000
	1,11,08,89,664	96,50,56,501

Does not include penalty charges of Rs. 6,20,128 (previous year-Rs.2,39,49,784) due to cancellation of events by the third party organisers as the penalty amount works out to more than the amount deposited by the parties. As the chances of realisation of the balance penalty are 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,2013 (Contd.)

21 EMPLOYEES' BENEFITS EXPENSES

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Salaries, Wages & Allowances #	58,90,99,301	56,22,96,141
Other Perks & Allowances	8,25,88,278	8,69,61,445
Medical Expenses	6,45,06,635	6,84,70,605
Performance Related Pay (Refer foot note to Note no.9)	4,00,22,854	9,50,00,000
Contribution to Provident & Other Funds	5,37,43,441	4,85,52,009
Gratuity (Refer Note 34)	8,63,20,809	6,51,80,611
Leave Encashment (Refer Note 34)	4,93,32,248	4,57,37,937
Staff Welfare	55,37,688	42,80,360
Compensation against Employment-Deceased Employees	1,33,09,556	2,56,62,272
Other Costs	41,72,139	32,67,155
	98,86,32,949	1,00,54,08,535

Includes Rs. 3,70,37,955 (previous year Rs. 4,37,19,156) on account of ex-gratia paid under the Voluntary Retirement Scheme.

22 DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Depreciation	4,59,27,258	4,38,00,668
Amortisation of Intangible Assets	12,66,871	-
	4,71,94,129	4,38,00,668



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

23 OTHER EXPENSES

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Participation Charges	14,67,99,410	14,13,46,750
Construction & Interior Decoration	8,06,22,624	5,85,27,336
Publicity	3,74,71,028	3,85,24,202
Freight, Packing & Handling	3,86,030	9,00,998
Cultural Programmes & Fashion Shows	7,98,260	10,54,700
Travelling & Conveyance [includes Rs. 53,54,363 (previous year Rs. 23,34,027) in respect of Directors]	2,27,06,017	2,01,30,883
Postage, Telegrams & Telephones	47,25,401	58,76,921
Entertainment [includes through Directors Rs. 1,25,201 (previous year Rs.52,082)]	46,91,249	37,48,132
Maintenance of Pragati Maidan		
- Civil [includes Repairs to Buildings Rs.17,34,000 (previous year Rs.4,57,649)]	6,20,01,733	4,74,62,465
- Electrical	7,49,16,425	7,85,44,793
- Horticulture	1,49,05,562	1,25,97,321
- Conservancy Arrangements	2,53,83,971	2,05,57,814
Electricity & Water Charges	17,86,04,718	19,82,06,148
Repairs, Renewals & Maintenance	1,73,11,065	1,09,66,642
Rates & Taxes	2,02,55,281	1,87,54,087
Less: Recoveries	(12,22,951)	(12,28,616)
	1,90,32,330	1,75,25,471
Books & Periodicals	14,13,316	8,73,895
Printing & Stationery	91,74,099	71,94,707
Rent	14,42,318	13,84,777
Less: Recoveries	(1,39,800)	(1,39,800)
	13,02,518	12,44,977

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Vehicle Maintenance	33,79,219	28,32,751
Less: Recoveries	(34,863)	(22,742)
	33,44,356	28,10,009
Insurance	9,77,747	5,04,998
Advertisement Expenses	58,36,682	78,12,346
Commission	57,69,933	38,74,362
Foreign Delegation	55,447	7,50,933
Legal & Professional Charges	81,33,048	92,46,163
Seminar & Training	2,07,316	31,77,780
Interest	64,35,241	45,96,794
Compensation	45,51,377	-
Corporate Social Responsibility Expenses	34,47,822	33,00,000
Provisions/Write Offs	5,27,72,536	13,70,64,014
Other Miscellaneous Expenses	1,26,93,464	1,67,01,268
Sitting Fees to Directors	1,10,000	30,000
Auditor's Remuneration		
-Audit Fee	3,00,000	2,55,000
-Tax Audit Fee	80,000	95,000
-Other Expenses	1,18,143	-
	80,70,78,868	85,55,02,822



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

24 PRIOR PERIOD ADJUSTMENTS (NET)

	For the year ended 31.03.2013		For the year ended 31.03.2012	
	Debit Rs.	Credit Rs.	Debit Rs.	Credit Rs.
Compensation	-	-	23,516	-
Electricity & Water Charges	-	46,259	1,12,994	-
Freight Packing & Handling	63,205	-	-	-
Hoarding Advertisement	-	-	6,63,600	-
Legal & Professional Charges	2,10,000	-	1,50,000	-
Maintenance of Pragati Maidan-Civil Works	73,600	-	-	-
Miscellaneous Expenses	-	-	2,54,286	-
Miscellaneous Income	-	-	-	1,49,283
Participation Charges	-	12,21,476	-	-
Postage Telegrams & Telephones	-	-	4,19,165	-
Publicity Expenses	1,53,648	-	2,91,709	-
Rates & Taxes	-	-	20,210	-
Repairs Renewals & Maintenance	77,625	-	11,14,444	-
Revenue Grant from Govt. of India	-	-	-	5,50,000
Salary & Allowances	-	-	2,36,221	-
Space Rent (Net)	-	-	2,40,000	-
Staff Welfare	-	1,82,422	-	-
Travelling & Conveyance	-	1,68,494	1,02,957	-
	5,78,078	16,18,651	36,29,102	6,99,283

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

25 EXCEPTIONAL ITEMS

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Liabilities / Provisions no longer required	2,26,54,955	3,40,30,495
Provision for Doubtfull Debts Written Back	57,59,091	70,00,127
	2,84,14,046	4,10,30,622

26 EARNINGS PER EQUITY SHARE

	As at 31.03.2013	As at 31.03.2012
Net Surplus after tax (Rs.)	1,52,29,39,051	1,83,03,10,786
Equity Shares (Nos.)	25,000	25,000
Nominal Value per Equity Share (Rs.)	100	100
Basic & Diluted Earnings per Share (Rs.)	60,918	73,212

27 EXPENDITURE IN FOREIGN EXCHANGE

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Foreign Travel	59,45,402	49,68,766
Fairs and Exhibitions	15,58,53,759	16,90,12,455
Others	2,96,996	46,277
	16,20,96,157	17,40,27,498

28 EARNINGS IN FOREIGN EXCHANGE

	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
Space Rent	14,11,04,004	10,11,25,847
Other Receipts	11,32,530	8,23,981
	14,22,36,534	10,19,49,828



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (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 pending signing of revised MOU between the co-promoters. Further accounting entries, if any, shall be carried out as and when the revised MOU is signed/ subordinate debt is realised.

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

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

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
(a) Contingent Liabilities		
-Claims against the Company not acknowledged as debts	1,64,84,29,943	1,11,53,63,938
(b) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	11,09,54,091	3,52,43,135

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 Years 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. Consequent to the said withdrawal, the Assessing Officer raised demands of Rs. 86,06,01,190 and Rs. 36,75,99,750 for the Assessment Years 2009-10 and 2010-11 respectively. As per the legal advice, the company has contested the withdrawal of exemption in a writ petition filed in the Hon'ble High Court of Delhi.

Against the demand of Rs. 86,06,01,190 for the AY 2009-10, TDS refunds amounting to Rs.33,53,25,710 have been adjusted by the Income Tax Department. Further, as per the directions of the Director of Income Tax (Exemptions), the company deposited Rs. 6,00,00,000 till 31.3.2013 and Rs. 3,49,00,000 in June, 2013, under protest. The recovery of the balance demand of Rs. 43,03,75,480 has been stayed by the Director of Income Tax (Exemptions) till 31st March, 2014 or decision of the Hon'ble High Court of Delhi whichever is earlier.



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

Against the demand of Rs. 36,75,99,750 for the Assessment Year 2010-11, the Director of Income Tax (Exemptions) directed the Company in June, 2013 to deposit Rs. 18,50,00,000 in 5 equal installments of Rs. 3,70,00,000 each every month starting from June, 2013 to October, 2013. The first installment was paid in June, 2013 under protest and the recovery of the balance demand of Rs. 33,05,99,750 has been stayed by the Hon'ble High Court of Delhi in the hearing held on 23rd July 2013.

As the matter is subjudice and the company is hopeful of a favourable decision, no provision for the demands of Rs. 86,06,01,190 and Rs. 36,75,99,750 have been made in the accounts. Likewise, no provision for the subsequent Assessment Years 2011-12, 2012-13 and 2013-14 have been made in the accounts.

The adjustment of TDS refunds of Rs. 33,53,25,710 by the Income Tax Department and Rs.6,00,00,000 deposited by the Company till 31.3.2013 relating to the Assessment Year 2009-10 as given above, are reflected in the accounts as "Income Tax Recoverable".

In view of the circumstances explained above, no provision for deferred tax as per Accounting Standard-22, has been made in the accounts. The demands raised by the Income Tax Department, which are contested by the company, have been included in the Contingent Liability at Note No. 30(a).

32 SERVICE TAX MATTERS

Consequent to the audit conducted by the Service Tax Department in the year 2011-12 relating to the period 2006-07 to 2009-10, a demand-cum-show cause notice dated 29th March, 2012 was received by the company raising a demand of Rs 10,87,94,894 comprising Service-tax of Rs 10,64,27,051 and interest Rs 23,67,843 to the extent determined and penalties, if any, (amount not quantified). A further demand-cum-show cause notice dated 21st Sept., 2012 was also received relating to the period 2011-12 raising a demand of Rs. 42,77,135 excluding interest and penalties, if any, amount not quantified. The demands raised mainly relate to grants received by the company from the Government. In the opinion of the Company, the services on which demands have been raised, do not fall within the ambit of services liable for Service Tax. Accordingly, the demands have been contested by the Company with the Commissioner of Service Tax, Delhi and no provision for the same have been made in the accounts.

The demands raised by the Service Tax Department, which are contested by the company, have been included in the Contingent Liability at Note No. 30(a).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

33 CONFIRMATION OF BALANCES

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

34 DISCLOSURE AS PER AS-15 ON EMPLOYEES' BENEFITS

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

a. Provident Fund

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

The schemes at b & c below, are unfunded and recognized in the books of the Company on the basis of actuarial valuations. The summarized position of various defined benefits recognized in the statement of Income and Expenditure and Balance Sheet are as under:-

b. Leave

The Company provides for the encashment of Earned Leave (EL) and Half-Pay Leave (HPL) benefits to the employees of the Company which accrue annually at the rate of 30 days and 20 days respectively. While in service, EL is encashable subject to a maximum of 60 days once in a calendar year leaving minimum balance of 15 days. EL is also encashable subject to a maximum of 300 days on superannuation / death / resignation etc. HPL is encashable only on superannuation / death / resignation etc. upto a maximum of 300 days (150 days full pay) as per the Rules of the Company. An overall ceiling of encashment of EL and HPL for 300 days is prescribed by taking into account the maximum encashable HPL at 150 days full pay leave at the time of superannuation / death / resignation, etc.

i. Expenses recognized in the statement of Income and Expenditure

	2012-2013 (Rs.)	2011-2012 (Rs.)
Interest cost	1,32,51,338	1,32,25,979
Current service cost	74,87,772	71,40,156
Net actuarial (gain)/loss recognised in the period	48,11,727	41,44,855
Expenses recognised in the statement of Income and Expenditure	2,55,50,837	2,45,10,990



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

ii. The amount recognized in the Balance Sheet

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Present value of the obligation at end of the year	17,70,64,514	16,56,41,719
Net liability/(assets) recognised in Balance Sheet and related analysis	17,70,64,514	16,56,41,719
Funded Status	(17,70,64,514)	(16,56,41,719)

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

	2012-2013 (Rs.)	2011-2012 (Rs.)
Present value of the obligation at the beginning of the period	16,56,41,719	15,55,99,752
Interest cost	1,32,51,338	1,32,25,979
Current service cost	74,87,772	71,40,156
Benefits paid (if any)	(1,41,28,042)	(1,44,69,023)
Actuarial (gain)/loss	48,11,727	41,44,855
Present value of the obligation at the end of the year	17,70,64,514	16,56,41,719

iv. The assumptions employed for the calculations are tabulated

	As at 31.03.2013	As at 31.03.2012
Discount rate	8.00% per annum	8.50% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

c. Gratuity

The Company has a defined benefit gratuity scheme. Every employee who has rendered continuous service of 5 years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary + dearness allowance) for each completed year of service, subject to a maximum of Rs.10,00,000.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2013 (Contd.)

i. Expenses recognized in the statement of Income and Expenditure

	2012-2013 (Rs.)	2011-2012 (Rs.)
Interest cost	2,92,04,751	2,94,91,818
Current service cost	1,62,86,939	1,49,15,338
Net actuarial (gain)/loss recognised in the period	4,06,77,102	1,58,76,763
Expenses recognised in the statement of Income & Expenditure Account	8,61,68,792	6,02,83,919

ii. The amount recognized in the Balance Sheet

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
Present value of the obligation at end of the year	40,41,15,083	36,50,59,386
Net liability/(assets) recognised in Balance Sheet and related analysis	40,41,15,083	36,50,59,386
Funded Status	(40,41,15,083)	(36,50,59,386)

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

	2012-2013 (Rs.)	2011-2012 (Rs.)
Present value of the obligation at the beginning of the period	36,50,59,386	34,69,62,568
Interest cost	2,92,04,751	2,94,91,818
Current service cost	1,62,86,939	1,49,15,338
Benefits paid (if any)	(4,71,13,095)	(4,21,87,102)
Actuarial (gain)/loss	4,06,77,102	1,58,76,764
Present value of the obligation at the end of the year	40,41,15,083	36,50,59,386

iv. The assumptions employed for the calculations are tabulated

	As at 31.03.2013	As at 31.03.2012
Discount rate	8.00% per annum	8.50% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum



INDIA TRADE PROMOTION ORGANISATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013 (Contd.)

35 Segment reporting for the year ended 31st March, 2013

(I) Information about Primary Geographical Segments

	Trade promotion Activities in India	Trade promotion Activities Abroad	Unallocated	Total
Revenue				
External	2,12,56,11,444	22,81,87,481	-	2,35,37,98,925
	(2,71,01,59,115)	(21,54,52,940)	-	(2,92,56,12,055)
Inter-segment	-	-	-	-
Total revenue	2,12,56,11,444	22,81,87,481		2,35,37,98,925
	(2,71,01,59,115)	(21,54,52,940)		(2,92,56,12,055)
Result				
Segment result	75,01,99,330	-4,60,96,901	-	70,41,02,429
	(1,31,63,01,763)	(-13,89,10,130)	-	(1,17,73,91,633)
Unallocated expenditure net of unallocated income	-	-	-12,38,20,465	-12,38,20,465
	-	-	(-8,77,56,541)	(-8,77,56,541)
Interest/Dividend income	-	-	94,16,16,514	94,16,16,514
	-	-	(74,36,05,513)	(74,36,05,513)
Surplus before taxation and exceptional items	-	-	-	1,52,18,98,478
	-	-	-	(1,83,32,40,605)
Prior Period Adjustment (Net)	-	-	-	10,40,573
	-	-	-	(-29,29,819)
Excess of income over expenditure	-	-	-	1,52,29,39,051
	-	-	-	(1,83,03,10,786)
Other information				
Segment assets	91,94,98,313	10,06,79,236	11,77,66,10,570	12,79,67,88,119
	(93,17,46,346)	(18,11,81,507)	(10,03,67,25,430)	(11,14,96,53,283)
Segment liabilities	70,13,95,572	6,34,30,488	90,28,11,707	1,66,76,37,767
	(61,92,18,528)	(7,69,40,291)	(84,72,83,163)	(1,54,34,41,982)
Capital expenditure	7,27,74,248	-	-	7,27,74,248
	(4,52,18,803)	-	-	(4,52,18,803)
Depreciation & Amortisation	4,71,94,129	-	-	4,71,94,129
	(4,38,00,668)	-	-	(4,38,00,668)
Non-cash expenses other than depreciation	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013

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

NOTE: (a) Unallocated expenditure includes 10% of establishment and office expenses. The balance is apportioned among the segments on the basis of their respective revenues.

(b) 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 previous year.

36 PREVIOUS YEAR FIGURES

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

Sd/-
(P.C.Sharma)
Senior General Manager
& Company Secretary

Sd/-
(B.L.Meena)
Officer on Special
Duty & Financial Advisor

Sd/-
(Malay Shrivastava)
Executive Director

Sd/-
(Rita Menon)
Chairperson & Managing Director

Place: New Delhi
Dated: 23/08/2013



Ambulance given by ITPO as a part of CSR initiative

2012

13

**SUBSIDIARY
COMPANIES**



DIRECTORS' REPORT

The Board of Directors of the Tamilnadu Trade Promotion Organisation have immense pleasure in presenting their 12th Annual Report along with audited Balance Sheet and Income and Expenditure Account for the year 2012-13.

Financial Highlights

The working of the organization for the year 2012-13 resulted in a surplus of Rs. 2,167 lakhs before tax as compared to Rs.1,886 lakhs generated in the previous year. The total operating income generated during the year was Rs.2,594 lakhs as compared to Rs.2,483 lakhs in the previous year. The total expenditure during the year was Rs.1,220 lakhs as compared to Rs.1,125 lakhs in the previous year.

The Chief Commissioner of Income Tax, Chennai-III had withdrawn the Income Tax Exemption under section 10 (23) (C) (IV) of the Income Tax Act from the Assessment year 2009-10 and onwards on the basis of amendment in Section 2(15) of the Income Tax Act with effect from 01.04.2008.

Consequently, the Assessing Officer has raised demands of Rs.475.98 lakhs and Rs.353.26 lakhs for the assessment years 2009-10 and 2010-11 respectively. Against the demand of Rs.353.26 lakhs for the AY-2010-11, an amount of Rs.27.54 lakhs has been deposited under protest. The collection of the balance tax has been stayed by the assessing officer till the disposal of appeal by CIT(A) or 30.09.2013 whichever is earlier. Withdrawal of exemption is being contested and a writ petition is being filed before the Hon'ble High Court of Chennai.

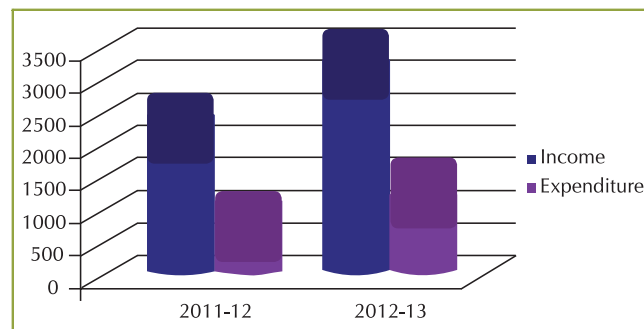
In view of the above, the company is hopeful of a favorable decision that the demand will

be cancelled and the provision for liability has been treated as contingent in nature. In view of the above, no provision for the income tax liability for the assessment years 2009-10 to 2013-14 and deferred tax have been made in the accounts of the company.

The Company is registered under section 25 of the Companies Act,1956 and as such it does not declare any dividend. The excess of Income over Expenditure is therefore retained and transferred to reserves and surplus account.

I. 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 appreciation for the services rendered by the outgoing Directors during their tenure.

The other Directors on the Board are:

Sl. No.	Director	From	To
1	Shri N.S.Palaniappan, IAS	07.06.2013	Continuing
	Principal Secretary to Government, Industries Department, Government of Tamilnadu.		

Sl. No.	Director	From	To
2	Shri Hans Raj Verma, IAS Chairman & Managing Director, TIDCO	11.12.2012	Continuing
3	Shri Malay Shrivastava, IAS Executive Director, ITPO	07.06.2013	Continuing
4	Shri B.L. Meena, IAS Officer on Special Duty (Admn.), ITPO.	22.08.2012	Continuing
5	Shri P.C. Sharma, Senior General Manager, ITPO	07.06.2013	Continuing
6	Shri B. Elangovan, General Manager, TIDCO	26.10.2009	Continuing
7	Shri R.Karthikeyan, Development Manager, TIDCO	20.12.2007	Continuing
8	Shri Neeraj Kumar Gupta, IAS, Former Executive Director, ITPO	25.03.2010	11.12.2012
9	Dr N.Sundaradevan, IAS Former Principal Secretary to Government, Industries Department, Government of Tamilnadu.	26.09.2011	11.12.2012
10	Shri K.Dhanavel, IAS Former Managing Director, TIDCO	22.05.2012	11.12.2012
11	Shri Vikram Kapur, IAS Former Principal Secretary to Government, Industries Department, Government of Tamilnadu.	11.12.2012	07.06.2013
12	Shri Asit Kumar Tripathy, IAS, Former, Executive Director, ITPO.	11.12.2012	07.06.2013
13	Shri A.K.Khanna, Former, Senior General Manager, ITPO	20.12.2007	07.06.2013

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 Celebrations, etc. During the year 2012-13, 100 events in Exhibition Halls and 120 events in Convention Centre were held with important events, such as, India International Leather Fair 2012, Hindu Metroplus Life Style Expo-2012, N-Printech & Packtech Expo-2012, International Machine Tool Expo-2012, Roof India -2012, Medically-2012, AAHAR-2012, ACMEE-2012, India Auto Expo-2012, Image Today-2012, India International Build Expo-2012, Thailand Exhibition 2012, India International Yarn & Fabric Show-2012, Auto Serve-2012, Wind Power India-2012, LIC Meet-2012, Inside and Outside Mega Show 2012, Home Decor-2012, India International Mart-2012, BAICON-2012, Water Today-2013, Fairpro-2013 and Gems & Jewellers India International Exhibition-2013.

Future Plans:

Even though the Company has excellent facilities, strategic location having proximity to Airport, Port and well established road communication with other cities, the area of exhibition halls is much lesser, compared to other exhibition centres for meeting with the demands of the organisers 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 organisers requiring of built up exhibition area more than 20,000 sq.mtrs. Therefore, considering the importance of exhibition industry to promote production and trade, the Board of TNTPO has principally agreed to construct an Exhibition hall measuring 6,000 Sqmtr as Phase-I towards expansion of the CTC.

TNTPO Website

TNTPO has been constantly updating its website at www.chennai tradecentre.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

The Company is not accepting any Fixed Deposit and hence details as required under the relevant provisions of Companies Act have not been furnished.

Auditors

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

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

The Company is not engaged in any manufacturing or any other trading activities. Therefore, furnishing of particulars relating to conservation of energy, technology absorption and adaptation, research and development does not arise. The information regarding foreign exchange earnings and outgo in accordance with the proviso under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given below and form part of this report.

Item	2012-13 Rs.	2011-12 Rs.
1. Foreign Exchange Earned	8,61,851	48,02,722
2. Foreign Exchange Used		
Travelling Expenses	Nil	49,282

Particulars 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.

Dues to SSI Units

Your Company is not having any dues to SSI Units.

Directors Responsibility (Corporate Governance)

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 your Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments, 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 that financial year.
- 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.
- The Directors have prepared the annual accounts on a going concern basis.

Acknowledgements

The Directors wish to place on record their appreciation of the support, which your 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 organised exhibitions 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, Central Bank of India, State Bank of India, IDBI Bank, Union Bank of India 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/-
B.L.Meena
Director

Place: New Delhi
Date: 08.08.2013



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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. 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 thereunder 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 3 (Three) times on 22/05/2012, 06/09/2012 and 11/12/2012 in accordance with the provisions of the Company Act, 1956 in respect of which meetings notice were given and the proceedings 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 31/03/2012 was held on 26/10/2012 after obtaining approval from the central government for extension of time to hold the Annual General Meeting (SRN: B58200775 dated 24/09/2012) 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 Board vide its meeting dated 11/12/2012 & 07/06/2013 have appointed/accepted the resignation of certain Directors, however, the company yet to file form-32 for the respective directors/MD appointments/cessation.
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, 2012, under



TAMILNADU TRADE PROMOTION ORGANISATION

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.
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 its 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: 31/07/2013

**FORMS PART OF THE VOLUNTARY SECRETARIAL COMPLIANCE REPORT DATED 31/07/2013
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: 31/07/2013



TAMILNADU TRADE PROMOTION ORGANISATION

**FORMS PART OF THE VOLUNTARY SECRETARIAL COMPLIANCE REPORT
DATED 31-07-2013 ISSUED TO TAMILNADU TRADE PROMOTION ORGANISATION.**

Annexure B

**Forms and Returns that have been filed by the company with the Registrar of Companies,
Regional Director, Central Government or other authorities during the financial
year 01/04/2012 to 31/03/2013.**

1. Form-20B Filed on 21/12/2012-SRN: Q04725677.
2. Form-23AC & 23ACA Filed on 23/11/2012-SRN: Q01634872.
3. Form-61 Filed on 24/09/2012-SRN: B58200775.

Sd/-

B. Sankaranarayanan
C.P No: 8301

Place: Chennai
Date: 31/07/2013

BALANCE SHEET AS AT 31st MARCH, 2013

Particulars	Note No	As at 31st March 2013 (Rs.)	As at 31st March 2012 (Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	B	1,00,000	1,00,000
(b) Reserves and Surplus	C	1,00,95,79,837	79,74,40,158
(2) Non-Current Liabilities			
(a) Long-term borrowings	D	22,60,75,082	22,60,75,082
(b) Long-term provisions	E	10,37,414	9,66,837
(3) Current Liabilities			
(a) Trade payables	F	38,84,628	25,66,305
(b) Other current liabilities	G	17,15,81,999	15,13,08,285
(c) Short-term provisions	H	7,24,204	-
Total		1,41,29,83,164	1,17,84,56,667
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	I	51,08,95,954	52,95,97,726
(b) Long term loans and advances	J	3,55,49,493	2,04,53,849
(c) Other Non-current asset	K	71,000	1,71,000
(2) Current assets			
(a) Trade receivables	L	1,36,47,726	1,13,42,045
(b) Cash and Bank Balances	M	81,00,25,896	58,66,07,873
(c) Short Term Loans & Advances	N	64,28,279	61,23,704
(d) Other Current assets	O	3,63,64,816	2,41,60,470
Total		1,41,29,83,164	1,17,84,56,667

Significant Accounting Policies

A

The accompanying notes are integral part of Financial statements.

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

Sd/-
(S. Visakan)
Managing Director

Sd/-
(B.L. Meena)
Director

As per our report of even date
for M/s. Natraj Associate
Chartered Accountants
F.R.N.002440S

Sd/-
P.M. Krishnan
Partner
Membership No.10739

Place: New Delhi
Dated: 08.08.2013



**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED
31st MARCH 2013**

Particulars	Note No	For the year ended 31st March 2013 (Rs.)	For the year ended 31st March 2012 (Rs.)
I. Income			
a) Revenue from operations	P	25,93,76,842	24,83,46,525
b) Other Income	Q	7,92,87,811	5,22,55,529
		33,86,64,653	30,06,02,054
II. Expenses:			
a) Employee Benefit expense	R	90,00,023	86,62,798
b) Depreciation and Amortisation Expense	I	2,20,50,203	2,19,70,242
c) Other expenses	S	9,09,67,280	8,18,72,492
		12,20,17,506	11,25,05,532
III. Surplus before Exceptional items and Tax (I-II)		21,66,47,147	18,80,96,522
IV. Exceptional items (Prior Period Items)		49,252	4,71,427
V. Surplus before Tax (III-IV)		21,66,96,399	18,85,67,949
VI. Tax expense:	A-8 (c)	-	-
VII. Surplus / (Deficit) for the year (V-VI)		21,66,96,399	18,85,67,949
VIII. Earning per equity share:			
(1) Basic		21,66,964	18,85,679
(2) Diluted		21,66,964	18,85,679

Significant Accounting Policies

A

The accompanying notes are integral part of Financial statements.

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

Sd/-
(S. Visakan)
Managing Director

Sd/-
(B.L. Meena)
Director

As per our report of even date
for M/s. Natraj Associate
Chartered Accountants
F.R.N.002440S

Sd/-
P.M. Krishnan
Partner
Membership No.10739

Place: New Delhi
Dated: 08.08.2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(1) Shareholder's Funds

Note B: Share Capital

Particulars	As at 31st March 2013		As at 31 March 2012	
	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 31st March 2013		As at 31st March 2012	
	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.1000 per share. Each holder of Equity Share is entitled to one vote per share.

c. Share Holders holding more than 5% of the shares

Particulars	As at 31st March 2013		As at 31st March 2012	
	No of shares	% of share holding	No of shares	% of share holding
ITPO	51	51	51	51
TIDCO	49	49	49	49



TAMILNADU TRADE PROMOTION ORGANISATION

Note C: Reserves and Surplus

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
A.Capital Reserve:				
Opening balance	11,79,27,657		12,24,84,377	
(-) Amortisation of Grant received from ASIDE	45,56,720		45,56,720	
Closing Balance		11,33,70,937		11,79,27,657
B.Surplus				
Opening balance	67,95,12,501		49,09,44,552	
(+) Net Surplus/(Net Loss) for the current year	21,66,96,399		18,85,67,949	
Closing Balance		89,62,08,900		67,95,12,501
Total		1,00,95,79,837		79,74,40,158

(3) Non-Current Liabilities

Note D: Long-term borrowings

Particulars	As at 31st March 2013		As at 31 March 2012	
	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 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
Provision for Employee Benefits -Gratuity		10,37,414		9,66,837
Total		10,37,414		9,66,837

(4) Current Liabilities

Note F: Trade payables

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
Amount outstanding other than to Micro, Small and Medium enterprises		38,84,628		25,66,305
Total		38,84,628		25,66,305

Note G: Other current liabilities

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
Unsecured - considered good				
(a) Duties & Taxes	3,74,419		3,11,467	
(b) Customer Advance				
- for future events	3,46,19,100		3,29,11,284	
- for refund to organisers	1,09,59,322		23,99,006	
(c) Deposits	12,04,239		12,83,146	
(d) Expenses Payable	12,44,24,919		11,44,03,382	
		17,15,81,999		15,13,08,285
Total		17,15,81,999		15,13,08,285

Note H: Short Term Provisions:

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a) Provision for Employee Benefits	7,24,204		-	
	-		-	
		7,24,204		-
Total		7,24,204		-



TAMILNADU TRADE PROMOTION ORGANISATION

II.Assets

(1) Non-current assets

Note J: Long term loans and advances

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a) Sundry Deposits Unsecured,considered good unless stated otherwise	41,49,180		50,06,704	
b) Capital Advances Unsecured,considered good	6,92,525		7,94,668	
C) Income Tax Refundable	3,07,07,788		1,46,52,477	
		3,55,49,493		2,04,53,849
Total		3,55,49,493		2,04,53,849

Note K: Other Non-current asset

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
Preliminary Expenses not written off		71,000		1,71,000
Total		71,000		1,71,000

(2) Current assets

Note L: Trade receivables

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good				
Outstanding for a period more than six months from the date they are due for payment	40,20,879		40,20,879	
Others	96,26,847		73,21,166	
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)	
		1,36,47,726		1,13,42,045
Total		1,36,47,726		1,13,42,045

Note M: Cash and Bank Balances

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a) Balances with banks				
- Savings Accounts	85,74,286		1,65,11,873	
- Short Term Deposits	80,11,77,610		57,00,00,000	
b) Cash on hand	2,74,000		96,000	
		81,00,25,896		58,66,07,873
Total		81,00,25,896		58,66,07,873

Note N: Short Term Loans & Advances:

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
Unsecured, considered good				
a) Employee Advances	5,38,614		23,400	
b) Advances to Others	13,86,505		10,66,944	
c) Taxes & duties paid in Advance	45,03,160		50,33,360	
		64,28,279		61,23,704
Total		64,28,279		61,23,704

Note.O: Other Current Assets

Particulars	As at 31st March 2013		As at 31 March 2012	
	Rs.	Rs.	Rs.	Rs.
a) Prepaid Expenses	2,47,468		1,97,803	
b) Accrued Interest	3,59,25,107		2,39,59,633	
c) Electricity Charges Receivable	1,07,501		-	
d) Rent Receivable	84,740		3,034	
		3,63,64,816		2,41,60,470
Total		3,63,64,816		2,41,60,470

NOTE I:
FIXED ASSETS

NAME OF THE ASSET	GROSS BLOCK (AT COST)			DEPRECIATION BLOCK						NET BLOCK	
	As at 01.04.2012	Additions	Deletions	As at 31.03.2013	Rate	Accumulated Depreciation Upto 31.03.2012	Deletions / Adjustments	For the Year	Accumulated Depreciation as on 31.3.2013	As at 31.03.2013	As at 31.03.2012
	Rs.	Rs.	Rs.	Rs.		Rs.		Rs.	Rs.	Rs.	Rs.
Building	38,47,36,401			38,47,36,401	1.63	4,83,70,290		62,71,203	5,46,41,493	33,00,94,908	33,63,66,111
Plant & Machinery	8,34,07,296	17,09,411		8,51,16,707	4.75	2,29,93,375		39,93,229	2,69,86,604	5,81,30,103	6,04,13,921
Office Equipments	34,86,957	6,09,918		40,96,875	4.75	5,18,942		1,68,535	6,87,477	34,09,398	29,68,015
Electrical Fittings											
For Machines	3,96,43,485			3,96,43,485	7.07	2,07,79,070		28,02,794	2,35,81,864	1,60,61,621	1,88,64,415
Others	15,42,82,480	4,90,028	26,700	15,47,45,808	4.75	5,22,95,289	7,634	73,35,700	5,96,23,355	9,51,22,453	10,19,87,191
Computers	11,63,689	1,69,674	1,52,782	11,80,581	16.21	8,84,827	1,43,896	1,84,127	9,25,058	2,55,523	2,78,862
Vehicles	11,18,718			11,18,718	9.50	7,63,448		1,06,278	8,69,726	2,48,992	3,55,270
Furniture & Fixtures											
For Convention Centre	45,93,941			45,93,941	9.50	28,52,085		4,36,424	32,88,509	13,05,432	17,41,856
Others	1,16,87,939	3,97,352		1,20,85,291	6.33	50,65,854		7,51,913	58,17,767	62,67,524	66,22,085
Total	68,41,20,906	33,76,383	1,79,482	68,73,17,807		15,45,23,180	1,51,530	2,20,50,203	17,64,21,853	51,08,95,954	52,95,97,726
Previous year	68,18,04,760	23,71,946	55,800	68,41,20,906		13,30,32,722	2,19,70,242	4,79,784	15,45,23,180	52,95,97,726	54,87,72,038

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013 (CONTD.)

I. Income

Note P: Revenue from operations

Particulars	For the year ended	
	31st March 2013	31st March 2012
	Rs.	Rs.
Sale of Services		
Convention Centre-Receipts	4,47,29,835	4,15,75,340
Licence Fees	20,63,91,587	19,96,00,597
Other Operating Revenues		
Empanelment Fees	11,47,584	-
Income From Outdoor Filmshooting	1,54,000	2,00,000
Income From Sale of Ticket	69,53,836	69,70,588
Total	25,93,76,842	24,83,46,525

Note Q: Other Income

Particulars	For the year ended	
	31st March 2013	31st March 2012
	Rs.	Rs.
Income by way of Grant (ASIDE Grant)	45,56,720	45,56,720
Interest	7,02,41,269	4,34,71,413
Profit on sale of asset	1,000	-
Misc. Income	44,88,822	42,27,396
Total	7,92,87,811	5,22,55,529



II. Expenses:

Note R: Employee benefit expense

Particulars	For the year ended	
	31st March 2013	31st March 2012
	Rs.	Rs.
a) Salaries & Wages	71,90,085	69,58,819
b) Contribution to PF	4,35,172	4,06,761
d) Gratuity	1,51,439	2,13,207
e) Leave Salary	1,50,604	2,96,215
f) Staff Welfare	10,72,723	7,87,796
Total	90,00,023	86,62,798

Note S: Other expenses

Particulars	For the year ended	
	31st March 2013	31st March 2012
	Rs.	Rs.
Operation and Maintenance	3,48,97,634	3,47,19,483
Electricity Charges	2,75,98,166	2,47,73,861
Rent	1,00,00,000	1,00,00,000
Repairs & Maintenance :		
Plant & Machinery	44,24,480	19,42,990
Buildings	30,13,974	11,12,230
Vehicles	3,90,636	4,39,948
Electricals & Computers	2,61,505	1,28,231
Professional & Consultancy Charges	5,37,390	3,50,320
Travelling & Conveyance	13,21,683	11,33,014
Insurance	3,02,684	2,86,974
Administrative Expenses	82,19,128	69,85,441
Total	9,09,67,280	8,18,72,492

Auditors Remuneration:

Particulars	For the year ended	
	31st March 2013	31st March 2012
	Rs.	Rs.
Auditors Remuneration (included in Administrative Expenses)	1,00,000	1,00,000
Total	1,00,000	1,00,000

NOTES FORMING PART OF FINANCIAL STATEMENTS – MARCH 31, 2013

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 there of.

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 financing 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 :

Transactions 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 fair / 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 of 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, 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 provident 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 a writ petition is being 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.

Notes to the financial statements for the year ended March 31, 2013 (contd.)

A.1. Foreign Exchange Transactions:

Particulars	For the Period 31 st March 2013	For the Period 31 st March 2012
	Rs.	Rs.
Earnings in Foreign Exchange		
License Fee for Exhibition	8,61,851	48,02,722
Expenditure in Foreign Currency		
Foreign Travel	-	49,284

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 31.03.2013 are given below:

Expense recognized in Income and Expenditure Account:	For the Period 31 st March 2013	For the Period 31 st March 2012
	Rs.	Rs.
Current Service cost	80,827	63,255
Interest cost	65,203	44,478
Expected return in plan assets	(70,940)	45,980
Net Actuarial (gains)/losses	76,349	(1,51,324)
Expenses recognized in the Income and Expenditure Account	1,51,439	2,13,077

Reconciliation of present value of the obligation and the fair value of the plan assets	For the Period 31 st March 2013	For the Period 31 st March 2012
	Rs.	Rs.
Closing Projected Benefit Obligation	10,37,414	8,15,035
Fair value of Plan Assets	9,42,349	6,00,327
Unfunded Net Asset/ (Liability)	(95,065)	(2,14,708)

Changes in the present value of defined benefit obligations are as follows:	For the Period 31 st March 2013	For the Period 31 st March 2012
	Rs.	Rs.
Obligations at period beginning	8,15,035	5,55,978
Service Cost	80,827	63,255
Interest on Defined benefit obligation	65,203	44,478
Benefits settled	-	-
Actuarial (gains)/losses	76,349	1,51,324
Obligations at period end	10,37,414	8,15,035



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

Change in plan assets	For the Period 31 st March 2013	For the Period 31 st March 2012
	Rs.	Rs.
Plans assets at period beginning, at fair value	6,00,327	3,86,911
Expected return on plan assets	70,940	45,980
Actuarial gains/(losses)	-	-
Contributions by the Employer	2,71,082	1,67,436
Benefits settled	-	-
Plans assets at period end, at fair value	9,42,349	6,00,327

Assumptions

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

b. Leave Encashment :

Employee entitlements 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, 24,204/-

A.4. In respect of exhibition “AAHAR CHENNAI-2012”, conducted jointly by the Company and holding Company (ITPO), the Company is entitled to a share in the surplus revenue generated in the exhibition. Pending receipts of the Accounts in respect of the above exhibition from holding company, no provision has been made for the income which has accrued to the share of the Company.

A.5. Disclosure Pursuant to Accounting Standard -18: “Related Party Transactions”

List of related party and relationships :

a) Key Management Personnel

1. S. Visakan – Managing Director
2. K.S. Kandasamy – Managing Director (Upto 6th March 2013)

b) Related party Transactions:

Particulars	As at 2012-13 (Rs.)	As at 2011-12 (Rs.)
	Key Management Personnel	Key Management Personnel
Directors Remuneration	9,35,962/-	9,44,600/-
Medical Reimbursement	38,545/-	74,894/-

A.6. Disclosure Pursuant to Accounting Standard- 20 : “Earnings per Share”

Particulars	As at 31.03.2013	As at 31.03.2012
Surplus/(Deficit) after tax (Rs.)	21,66,96,399	18,85,67,949
Weighted average number of shares	100	100
Basic & Diluted Earnings Per share (Rs.)	21,66,964	18,85,679
Face Value per share (Rs.)	1,000	1,000

A.7. 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.8. Contingent Liability :

a) Claims against the company not acknowledged as debts:

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) The additional commissioner of Service Tax, Chennai have issued a show cause notice No.456/2011 dated 13.10.2011 for non inclusion value of sale of tickets in the taxable value for the period from 2006-07 to 2010-11 totaling to Rs.1,72,64,646/- for which service tax liability comes to Rs.19,53,359/-. Further, Service tax liability on sale of ticket for the year 2011-12 and 2012-13 comes to Rs.7,66,789/- and Rs.7,64,947/- respectively. TNTPO have contested and replied to the above show cause notice and issue is pending with the department. In view of the above, the company is contingently liable of Rs. 34, 85,095/-.

c) INCOME TAX

The Chief Commissioner of Income Tax, Chennai-III had withdrawn the Income Tax Exemption under section 10 (23) (C) (IV) of the Income Tax Act from the Assessment year 2009-10 and onwards on the basis of amendment in section 2(15) of the income Tax Act with effect from 01.04.2008.

Consequently, the Assessing Officer has raised demands of Rs.475.98 lakhs and Rs.353.26 lakhs for the assessment years 2009-10 and 2010-11 respectively. Against the demand of Rs.353.26 lakhs for the AY-2010-11, an amount of Rs.27.54 lakhs has been deposited under protest. The collection of the balance tax has been stayed by the assessing officer till the disposal of appeal by CIT(A) or 30.09.2013 whichever is earlier. Withdrawal of exemption is being contested and a writ petition is being filed before the Hon'ble High Court of Chennai.

In view of the above, the company is hopeful of a favorable decision that the demand will be cancelled and the provision for liability has been treated as contingent in nature and hence, the company is contingently liable to the extent of Rs.1965.78 lakhs from the assessment years 2009-10 to 2012-13 and Rs.700.86 lakhs for the assessment year 2013-14. In view of the above, no provision for the income tax liability for the assessment years 2009-10 to 2013-14 and deferred tax have been made in the accounts of the company.

d) Capital Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for as on 31st March 2013 – NIL

e) Lease :

As per the 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. 1Crore for the year 2012-13 has been made under other expenses and the total provision of Rs.12.00 crores due from the year 2001-02 to 2012-13 has been accounted under other liabilities.

f) Loan from Promoters :

Pending finality on the issue of treating the amount spent by promoter's 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 2013.

A.10. Sundry Debtors include debts due from the companies in which the directors of TNTPO are interested as Directors:

	<u>2012-13</u> Rs.	<u>2011-12</u> Rs.
India Trade Promotion Organisation (Holding Company)	90,15,047	73,21,166
Tamilnadu Industrial Development Corporation Ltd. (TIDCO)	44,47,455	38,35,655

A.11. The third party balances as at 31st March 2013 are subject to confirmation/reconciliation.

A.12. Previous Year's figures are regrouped or reclassified wherever necessary.

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

Sd/-
(S. Visakan)
Managing Director

Sd/-
(B.L. Meena)
Director

As per our report of even date
for M/s. Natraj Associate
Chartered Accountants
F.R.N.002440S

Sd/-
P.M. Krishnan
Partner
Membership No.10739

Place: New Delhi
Dated: 08.08.2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

Particulars	For the Period 31st March 2013		For the Period 31st March 2012	
	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		21,66,47,147		18,80,96,522
Adjustments for				
Add:				
Depreciation	2,20,50,203		2,19,70,242	
Prior period items	49,252		4,71,427	
Loss on Sale of assets	25,652		44,343	
		2,21,25,107		2,24,86,012
Less:				
Profit on sale of Asset	1,000		-	
Interest Income	7,02,41,269		4,34,71,413	
Provision for Income Tax	-		-	
Amortisation of Grant	45,56,720		45,56,720	
		7,47,98,989		4,80,28,133
Operating profit before Working Capital changes		16,39,73,265		16,25,54,401
Adjustments for Working Capital changes:				
Add:				
Increase in Trade Payables	13,18,323		(1,52,205)	
Increase in Other Liabilities	2,10,68,495		4,48,74,008	
		2,23,86,818		4,47,21,803
Less:				
Increase in Sundry Debtors	23,05,681		1,85,153	
Increase in Loans & Advances and Other Assets	2,75,04,565		5,38,93,354	
		2,98,10,246		5,40,78,507
Net Cash Flow from Operating Activities - (A)		15,65,49,837		15,31,97,697

Particulars	For the Period 31st March 2013		For the Period 31st March 2012	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
B. Cash Flow from Investing Activities				
Sale of vehicles	3,300		3,100	
Interest Income	7,02,41,269		4,34,71,413	
Purchase of Fixed Assets	(33,76,383)		(9,02,609)	
		6,68,68,186		4,25,71,904
Net Cash Flow from Investing Activities - (B)		6,68,68,186		4,25,71,904
C. Cash Flow from Financing Activities - (C)		-		-
Net Cash Flow - (A + B + C)		22,34,18,023		19,57,69,601
Cash and Cash Equivalents at the beginning of the year		58,66,07,873		39,08,38,272
Cash and Cash Equivalents at the end of the year		81,00,25,896		58,66,07,873
Increase/(Decrease) in Cash and Cash Equivalents		22,34,18,023		19,57,69,601

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

Sd/-
(S. Visakan)
Managing Director

Sd/-
(B.L. Meena)
Director

Auditors' Certificate

We have examined the above Cash Flow Statement of TAMILNADU TRADE PROMOTION ORGANISATION for the year ended March 31, 2013. 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 8th August 2013 to the members of the Company.

As per our report of even date
for M/s. Natraj Associate
Chartered Accountants
F.R.N.002440S

Sd/-
P.M. Krishnan
Partner
Membership No.10739

Place: New Delhi
Dated: 08.08.2013



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, 2013, 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 211 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

Reply Of The Board

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.

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 judgment, 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 statements 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

Referring to Note A.8(c) to the Accounts regarding non-provision for income tax to the tune of Rs.19.66 Crores for Assessment years 2009-10 to 2012-13, Rs.7.01 Crores for the Assessment year 2013-14 and Deferred Tax liability of Rs. 12.20 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.38.87 Crores and in the Balance Sheet, Reserves and Surplus overstated by Rs.38.87 Crores, Short term provisions understated by Rs.24.36 Crores, Long Term Provisions (Deferred Tax Liability) understated by Rs. 12.20 Crores and Loans and Advances overstated by Rs.2.30 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:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- 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

1. 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.
- d) In our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, and the information required by the Companies Act, 1956 in the manner so required subject to:-
 - i) The company has not complied with Accounting Standards on Accounting for taxes on Income (AS-22) provisions, Contingent Liabilities and Contingent Assets (AS-29) with respect to tax liability as stated above in para "Opinion".
 - ii) Note A.8(f) of the Accounts regarding the amount spent by the Promoters viz., ITPO and TIDCO towards capital expenditure which are accounted as "Unsecured Loans" pending decision and finality on this matter by the promoters.
 - iii) Note A.11 regards confirmation of Third parties balances.

"RESOLVED to clarify that the company has filed a writ petition in the Hon'ble High Court of Chennai challenging the provisions of Section 2 (15) of the Income Tax Act and imposing Income Tax on TNTPO. As the Company is hopeful of defending its case, no provision for income tax has been made in the Annual Accounts. Position in this regard has been suitably disclosed vide Accounting Policy A (k) and Note No. A.8 (c) in the Annual Accounts."



TAMILNADU TRADE PROMOTION ORGANISATION

- 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 Natraj Associates
Chartered Accountants
Reg.No. 002440S

Sd-
(P.M. Krishnan)
Partner
M. No. 10739

Place: New Delhi
Date: 8th August 2013

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 2013

The preparation of financial statements of **Tamilnadu Trade Promotion Organisation, Chennai for the year ended 31 March 2013** 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 **8 August 2013**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of **Tamilnadu Trade Promotion Organisation, Chennai for the year ended 31 March 2013** and as such have no comments to make under Section 619(4) of the Companies Act, 1956.



(M.V. RAJESWARI)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT AND
EX-OFFICIO MEMBER AUDIT BOARD

Place: Chennai
Date: 23.09.2013



DIRECTORS' REPORT

Your Directors present Twelfth Annual Report on the working of the company together with the Audited Accounts for the period 01.04.2012 to 31.03.2013

OPERATIONS

The 12th Financial Statements of the company covering transactions from 01-04-2012 to 31-03-2013 consists of expenditure towards A/C maintenance expenses, phones, Security and Housekeeping facilities management services, water consumption and power consumption charges, Salaries of Managing Director and General Manager (Opn & Maint.) and miscellaneous expenses. The total operating income during the year was Rs. 8.69 Crores as compared to Rs. 7.07 Crores in the previous year. The total expenditure during the year was Rs. 2.95 Crores (including depreciation of Rs. 0.99 Crores) as compared to Rs. 4.23 Crores in the previous year (which includes Rs.121.23 Lakhs paid to KPTCL towards shifting of HT power lines) The company has earned an interest of Rs. 1.99 Crores on the deposits kept in Corporation Bank, State Bank of Mysore, Oriental Bank of Commerce, Bank of Baroda and Vijaya Bank. The company has made provision to pay Property Tax of Rs. 147.40 Lakhs (inclusive of earlier years) which was pending for the last six years for want of reconsideration for exemption. The company recorded a cumulative surplus of Rs. 14.58 Crores before taxes during 2012-13 compared to Rs. 8.84 Crores in the previous year.

IMPROVED PERFORMANCE

During the period from 01-04-2012 to 31-3-2013 in all 35 Events / Exhibitions/Conferences etc. were held as third party events and a

Rental Income of Rs. 5.57 Crores has been earned compared to that of previous year Rs. 4.66 Crores. The occupation of the Centre also improved and for the first time 149 days occupancy has taken place during the year compared to 127 days during previous year. This is the highest occupancy year since inception and recorded impressive performance during the year with an increase of 23% of revenue above last year. The important activities that took place include events of SAP Labs India Pvt. Ltd, Aditya Birla Nuvo Ltd., Thailand Trade Office, Indian Printed Circuit Association (IPCA), Microsoft APP fest, IT/BT Exhibition of GOK ,M/s Expo India Exhibitions Pvt.Ltd., M/s Whitefield Area Commerce & Industries Association, 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. Neeraj Kumar Gupta, IAS, Mr. M.N. Vidya Shankar, IAS, Mr. K. Jothiramalingam, IAS, Dr. Rajkumar Khatri, IAS, Mr. M.B.Dyaberi, IAS, Mr. Maheshwar Rao, IAS, Mr. A.K. Khanna 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 2012-13 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 applied and reasonable prudent, judgment 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 2012-2013 as prescribed in the Companies (Compliance Certificate) Rules, 2001 from a Practising 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 30.09.2013.

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/c Desk/ KTPO/2012-13/1.51/272 dated 13-08-2013 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 MD, 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/-
(RITA MENON)
Chairperson

Place: New Delhi
Date: 24.08.2013



KARNATAKA TRADE PROMOTION ORGANISATION

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 TRADE 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 **01.04.2012 to 31.03.2013** 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.1000/- (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. 1000/- (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 **01.04.2012 to 31.03.2013**.

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.

Sl 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 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.



KARNATAKA TRADE PROMOTION ORGANISATION

11.	Register and index of beneficial owners (members and debenture holders maintained by depository.	152A	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
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

Sl 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 filed 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 and 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 (01.04.2012-31.03.2013) under report as under:

Sl No.	Dates	No of Meetings in a year
01.	21.06.2012	TWO BOARD MEETINGS
02.	03.12.2012	

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.



05. CLOSURE OF REGISTER OF MEMBERS. Sec 154

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

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

The company has held Annual General Meeting on 07.09.2012 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

07. EXTRAORDINARY GENERAL MEETINGS: Sec 169

During the year the company has not held any EGM

08. LOANS TO DIRECTORS Sec 295

The company has not given any Loans to Directors.

09. 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: Sec 314

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 the 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 provisions of sec.217 relating to Directors report for the year 2010-2011.

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 Managing Director	08.02.2011	–	03444193
2. Mr M Maheswara Rao Director	10.11.2011	–	00324069
3. Ms Rita Menon Director	03.01.2012	–	00543058
4. Mr Rajkumar Khatri Director	10.01.2012	–	00540983
5. Mr. Sunil Kumar Sharma Nominee Director	03.02.2012	–	05210126
6. Mr. M B Dyaberi Nominee Director	17.03.2012	–	02474471
7. Mr. M.N. Vidya Shankar Director	21.06.2012	–	01023267
8. Mr. Malay Shrivastava Nominee Director	18.03.2013	–	03613917
9. Mr. Asit Kumar Tripathy Nominee Director	10.12.2012	18.03.2013	00223496
10. Mr. K Jothiramlingam Director	20.05.2011	21.06.2012	01869270
11. Mr. Neeraj K Gupta Director	05.02.2009	10.12.2012	02973442
12. Mr. Anil Kumar Khanna Director	16.01.2008	28.02.2013	02937485

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

Mr. C Veerabhadraiah has been appointed as Managing Director w.e.f 08.02.2011 as continues to be the Managing 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 Banks or Financial Institutions.

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

The company has not made any inter corporate loans and investments u/s 372 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 its Authorised Capital

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 prosecutions 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 2012-13.

For M R GOPINATH
Company Secretary
Sd/-
M R GOPINATH
FCS 3812 /CP 1030

Date: 23.07.2013

Place: Bangalore



COMPLIANCE CERTIFICATE

A Sec 25 company

REGISTERS MAINTAINED BY THE COMPANY:

Sl.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 or loans made	372A

ANNEXURE - B

Forms and Returns as filed by the Company covering the period from 01.04.2012 to 31.03.2013.

With Registrar of Companies

Sl.No.	Forms	SRN No.
06.12.2012	FORM 21A - 2011-12	Q03949799
22.02.2012	FORM 23AC - 2011-12	P91535518
04.10.2012	FORM 66 - 2011-12	P89334627
19.06.2012	FORM-32 APP – M.B. Dyaberi – 17.03.2012	B41483397
10.07.2012	FORM-32 APP – M.N Vidya Shankar – 21.06.2012	B42908186
10.12.2012	FORM-32 APP – Asit Kumar Tripathy – 10.12.2012	B71631204
10.07.2012	FORM 32 K. Jothiramalingam – CESS – 21.06.2012	B42918144
10.12.2012	FORM 32 Niraj Kumar Gupta – CESS – 10.12.2012	B71631204
01.04.2013	FORM 32 Asit Kumar Tripathy – CESS – 18.03.2013	B71661136
01.04.2013	FORM 32 Malay Shrivastava – APP/18.03.2013	B71661136

With Regional Director

Nil

With Central Government or other authorities

Nil

M R GOPINATH

RUKMINI, I Floor

M Com, L L B (Spl), F C S 252/B, II C Main
COMPANY SECRETARY Girinagar I Phase

BANGALORE-85

Hello: 26728442 - 26729012 Fax 26728442 E-mail: emmarjee@gmail.com

Date: 19.07.2013



BALANCE SHEET AS AT 31st MARCH 2013

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	50,00,000.00	50,00,000.00
(b) Reserves and Surplus	4	14,57,97,881.84	8,84,35,279.48
(2) Share application money pending allotment	5	9,94,50,000.00	9,94,50,000.00
(3) Non-Current Liabilities	6	7,73,76,949.97	7,73,76,949.97
Long-term borrowings			
(4) Current Liabilities			
(a) Other current liabilities	7	2,77,24,905.97	2,37,33,973.87
(b) Short-term provisions	8	3,54,863.00	1,40,312.00
Total		35,57,04,600.78	29,41,36,515.32
II.Assets			
(1) Non-Current Assets			
<i>Fixed assets</i>			
Tangible assets	9	8,49,85,544.24	9,48,01,731.24
(2) Current Assets			
(a) Cash and cash equivalents	10	23,60,36,812.26	17,90,14,018.36
(b) Short-term loans and advances	11	2,38,87,706.51	1,12,74,169.95
(c) Other current assets	12	1,07,94,537.77	90,46,595.77
Total		35,57,04,600.78	29,41,36,515.32

Notes (including Accounting Policies) numbering 1 to 28 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: 18/07/2013

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

(Amount in Rs.)

Particulars	Note No	For the year ending 31.03.2013	For the year ending 31.03.2012
From Continuing Operations:			
INCOME:			
I Revenue from operations	13	6,68,69,838.00	5,63,90,360.00
II Other Income	14	2,00,17,049.93	1,43,25,682.84
		8,68,86,887.93	7,07,16,042.84
III Total Revenue (I + II)			
IV EXPENDITURE:			
Employee benefit expense	15	23,47,090.00	14,71,743.00
Finance Costs	16	14,861.00	9,714.00
Depreciation	9	98,57,930.00	1,09,86,998.00
Other expenses	17	1,73,04,404.57	2,98,35,161.15
Total Expenses		2,95,24,285.57	4,23,03,616.15
V Excess of Income over Expenditure (III-IV)		5,73,62,602.36	2,84,12,426.69
VI Tax expenses			
1) Current tax			
2) Deferred tax			
VII Income for the period (V-VI)		5,73,62,602.36	2,84,12,426.69
Earning per equity share			
1) Basic		11,472.52	5,682.49
2) Diluted		549.19	272.02

Notes: Including Accounting Policies numbering 1 to 28 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: 18/07/2013



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013

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-2013 (In Rs.)	31-Mar-2012 (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

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

Equity shares	31-Mar-2013		31-Mar-2012	
	Nos.	Amt. In Rs.	Nos.	Amt. In Rs.
At the beginning of the period	5000	50,00,000.00	5000	50,00,000.00
Issued during the period	---	---	-	-
Outstanding at the end of the period	5000	50,00,000.00	5000	50,00,000.00

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 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.

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

	31-Mar-2013 (In Rs.)	31-Mar-2012 (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 31.03.2012)	25,50,000.00	25,50,000.00

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

	31-Mar-2013		31-Mar-2012	
	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%

e. Shares reserved for allotment to Joint Venture Partners (Please see note no. 5)

4 RESERVES AND SURPLUS

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
Surplus in the income and expenditure account		
Balance as per last financial statements	8,84,35,279.48	6,00,22,852.79
Income over expenditure for the year	5,73,62,602.36	2,84,12,426.69
	14,57,97,881.84	8,84,35,279.48
Total Reserves and Surplus	14,57,97,881.84	8,84,35,279.48

5 Share application money pending allotment

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
	9,94,50,000.00	9,94,50,000.00



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.35 Crores 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 31.03.2013, 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. 9,94,50,000/- 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. 9,94,50,000/- 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-2013	31-Mar-2012
	(In Rs.)	(In Rs.)
Interest free loan from holding company, India Trade Promotion Organisation	<u>7,73,76,949.97</u>	<u>7,73,76,949.97</u>

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 (59% and 41% of Rs. 20 Corers) 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

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
Other Liabilities		
Advance from customers	13,70,269.25	11,68,977.15
Corporation Tax Payable (Please see Note No. 25)	1,47,39,722.00	1,23,67,535.00
Luxury Tax Payable	2,64,204.00	--
Creditor for expenses	41,59,144.00	36,71,583.00
TDS Payable	16,255.00	11,305.00
Salary Deductions payable	11,180.00	17,940.00
Security Deposit from customers & contractors	10,36,400.00	6,36,400.00
Dues to Holding Company(towards expenses)	61,27,731.72	58,60,233.72
	2,77,24,905.97	2,37,33,973.87

8 Short-Term Provisions

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
Provision for employee benefits	3,54,863.00	1,40,312.00

9 Tangible Assets (Company Owned Assets)

	Exhibition Complex	Plant & Machinery	Furnitures & Fixtures	Vehicels	Office Equipment	Total
Cost or valuation						
At 1st April 2011	17,86,00,425.97	82,09,258.16	1,83,399.00	5,32,618.00	2,51,966.75	18,77,77,667.88
Additions	26,91,862.00	1,82,982.00	1,66,171.00		1,08,125.00	31,49,140.00
At 31 March 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
Depreciation						
At 1st April 2012	8,32,64,397.89	13,67,289.22	56,210.00	3,57,843.78	92,337.75	8,51,38,078.64
Charges for the year	98,70,086.00	9,98,233.00	42,941.00	45,249.00	30,489.00	1,09,86,998.00
At 31 March 2012	9,31,34,483.89	23,65,522.22	99,151.00	4,03,092.78	1,22,826.75	9,61,25,076.64
Charges for the year	88,74,665.00	8,69,698.00	45,325.00	33,534.00	34,708.00	98,57,930.00
At 31 March 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
Net Block						
At 31 March 2012	8,81,57,804.08	60,26,717.94	2,50,419.00	1,29,525.22	2,37,265.00	9,48,01,731.24
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



KARNATAKA TRADE PROMOTION ORGANISATION

10 Cash and Bank Balances

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
i) Cash and cash equivalents		
Balances with banks:		
On SB/Current Accounts	(1,64,766.49)	(3,37,577.64)
Cash on hand	7,578.75	13,192.00
Sub Total	(1,57,187.74)	(3,24,385.64)
ii) Other Bank Balances		
Deposits with original maturity of more than 3 months but less than 12 months (Non - Current portion - Nil)	23,61,94,000.00	17,93,38,404.00
Sub Total	23,61,94,000.00	17,93,38,404.00
Total Cash and Bank Balances	23,60,36,812.26	17,90,14,018.36

11 Short Term Loans & Advances

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
i) Advances Recoverable in Cash or in kind (Unsecured and considered good)		
a) BESCOM(electricity charges)	5,66,766.00	5,47,801.00
b) AG's Office(leave encashment)	1,17,934.00	1,06,136.00
c) CPWD (Maintenance Works)	42,81,125.00	---
d) Prepaid Expenses	5,217.00	---
e)Telephone Deposit	1,500.00	---
Sub Total	49,72,542.00	6,53,937.00
ii) Other Advances(unsecured and considered good)		
a) Service Tax- Input Tax	1,08,973.56	90,250.00
b) Advance Tax(TDS)	1,76,29,182.95	1,05,29,982.95
c) Service Tax (Deposit)(Please see Note No. 24)	11,77,008.00	---
Sub Total	1,89,15,164.51	1,06,20,232.95
Total Short Terms Loans & Advances (i + ii)	2,38,87,706.51	1,12,74,169.95

12 Other Current Assets

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
Interest accrued on Fixed Deposits	1,07,94,537.77	90,46,595.77
	1,07,94,537.77	90,46,595.77

13 Revenue from operations

	For the year ending 31-Mar-2013 (In Rs.)	For the year ending 31-Mar-2012 (In Rs.)
Sale of services	6,56,98,652.00	5,58,50,360.00
Other operating revenue	11,71,186.00	5,40,000.00
	6,68,69,838.00	5,63,90,360.00

Details of services rendered

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
License fee, gate fee collection and recovery for utilities from Exhibition Hall	6,56,98,652.00	5,58,50,360.00

14 Other Income

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
Interest income	1,99,25,940.93	1,42,83,668.84
Other non-operating income	91,109.00	42,014.00
	2,00,17,049.93	1,43,25,682.84



KARNATAKA TRADE PROMOTION ORGANISATION

15	Employee Benefit Expenses	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
	Salaries	17,53,984.00	12,29,289.00
	Contribution for pension & leave salary	3,02,024.00	1,38,556.00
	Staff Welfare	2,91,082.00	1,03,898.00
		23,47,090.00	14,71,743.00
16	Finance Costs	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
	Bank Charges	14,861.00	9,714.00
17	Other Expenses	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
	Power & Fuel	56,76,231.00	48,81,529.00
	Repairs & Maintenance to Buildings	2,41,663.25	10,12,904.00
	Repairs & Maintenance to Plant & Machinery	17,35,772.00	19,57,645.00
	Shifting Charges of HT Power Line and Towers	—	1,21,23,000.00
	Repairs & Maintenance-Others	11,88,115.00	12,07,464.00
	House Keeping & Security Charges	31,54,636.00	30,71,695.00
	Corporation Tax	23,72,187.00	23,72,187.00
	Water charges	38,410.00	2,470.00
	Communication charges	83,998.44	1,16,483.00
	Bandwidth Charges	4,35,617.00	5,03,797.00
	Printing & Stationery	64,156.00	1,03,281.00
	Postage & Courier Charges	19,792.00	19,495.00
	Advertising & Sales Promotion	60,000.00	1,23,649.00
	Legal & Professional Charges	8,15,206.00	7,00,949.00
	Travelling & Conveyance	10,65,818.88	7,27,901.00
	Insurance	51,268.00	53,033.00
	Office Expenses	2,36,124.00	1,65,342.00
	Audit Fee	35,000.00	25,000.00
	Unrecoverable TDS Writtenoff	—	1,69,833.15
	Miscellaneous Expenses	1,860.00	5,950.00
	Prior Period Items	28,550.00	4,91,554.00
		1,73,04,404.57	2,98,35,161.15

Payment to auditor	31-Mar-2013	31-Mar-2012
	(In Rs.)	(In Rs.)
As auditor		
Audit fee	35,000.00	20,000.00
In other capacity		
Certification fee	--	5,000.00
	35,000.00	25,000.00
Prior Period Items (Note No. 17)		
Amount wrongly accounted as income in earlier years now reversed	--	5,00,000.00
Input Service tax wrongly availed and paid subsequently	--	246
Short payment of TDS	--	30
TDS wrongly accounted in earlier years	--	2,818.00
Excess accounting of expenses in earlier years now rectified	--	(210.00)
Rectification of wrong TDS in 2010-11	--	(11,330.00)
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 Associats towards out of pocket expenses in connection with audit for the year 2010-11and not provided in that year	10,000.00	--
Amount remitted to Income Tax deparment 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	--
	28,550.00	4,91,554.00



KARNATAKA TRADE PROMOTION ORGANISATION

- 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.

	<u>31-Mar-2013</u>	<u>31-Mar-2012</u>
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-2013				7,73,76,949.37
	31-Mar-2012	26,91,862.00	-	-	7,73,76,949.97

b) Amounts due to related party (towards services) Please Note No. 7

				(In Rs.)
	Year ended	For Services	Amount due to related party	
i) India Trade Promotion Organisation-Holding Company	31-Mar-2013	2,67,498.00	61,27,731.72	
	31-Mar-2012	8,58,870.00	58,60,233.72	
ii) Karnataka Industrial Area Development Board-Co-Promoter	31-Mar-2013	5,00,000.00	31,92,000.00	
	31-Mar-2012	5,00,000.00	26,92,500.00	

20 Commitments

	31-Mar-2013 (In Rs.)	31-Mar-2012 (In Rs.)
Estimated amount of contract for (a) re-arranging of LT Panel Boards and (b) one time repairs & maintenance to Exhibition centre	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 2013, 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 the year, Deputy Director of Income Tax (exemptions), Bangalore had completed the assessment proceedings and passed assessment order in respect of Assessment Year 2010-11. In the Assessment Order dtd.25-02-2013 (received by the company on 12-03-2013), the assessing authority had stated that KTPO is clearly covered by the proviso 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 Deputy Director of Income Tax (Exemptions), Bangalore. 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.

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 and no provision has been made in accounts. The issue is pending before the Commissioner of Service Tax (appeals).

25 PROPERTY TAX:

The Company received notice from Assistant Revenue Office , Hoody, Bangalore on 07.12.2010 asking to pay property tax of the premises for the period from 2008-09 to 2010-11. The matter of payment of property tax was brought to the notice of Government of Karnataka, C&I Department requesting the Government to exempt KTPO from payment of property tax in view of MOU dated 16.02.1999 between ITPO-GOI & GOK wherein it was stated that all the tax concessions including revenue and other taxes will be extended by Government of Karnataka. Accordingly Principal Secretary C & I Department had taken up the matter with Urban Development Department on 22.01.2011 to exempt KTPO from payment of property tax and to withhold notice issued by BBMP to KTPO. The Company has been following up with the Urban Development Department, Government of Karnataka and was expecting favorable decision in this regard.

On 5.03.2012, the organisation had received communication from Assistant Revenue Officer, Hoody, Bangalore, vide letter dated 15.02.2012 informing that there is no provision to exempt KTPO from Property Tax, located in EPIP Industrial Area, as per section 110 of KMC Act 1976. In view of this letter, in order to proceed further and to inform Government, C&I Dept. and Board of KTPO to decide about the payments, the present claims by BBMP have been verified. On verification of the calculations available alongwith the notice received from BBMP, it is noticed that the rate of Rs. 8/- per sq.ft. for builtup area was applied to the premises under Industrial Buildings, whereas the organisation falls under category XIV of Public Sector Industrial Building, (State Government or Central Government or Joint Venture) , for which the rate applicable is Rs. 3/- per sq.ft. irrespective of scale if industry, as per the handbook provided by BBMP under Self Assessment Scheme. Hence the Company had written to the Joint Commissioner BBMP, with a request to issue the revised demand of property tax to proceed further in this regard. on 17.11.2012, The Joint Commissioner ,BBMP, Mahadevpura had issued letter claiming Property Tax upto 2012-13 alongwith penalty for the first time. The above facts were considered by the Board of KTPO and as per decision of the Board, the Company wrote to C & I, GOK regarding endorsement issued by ARO/BBMP/ Hoody communicating there is no provision to exempt the Property Tax to KTPO buildings and the claim dated 17.11.2012 received from Joint Commissioner BBMP, Mahadevpura. The Company also stated about non-receipt of communication from UDD/GOK regarding rejection or otherwise in response to C & I recommendation for grant of exemption in view of the MOU signed by Principal Secretary, C & I, GOK & Chairman ,ITPO/GOI to fulfill the obligation of the terms & conditions of MOU.

The Company has provided an amount of Rs. 1,47,39,722/- towards property tax for the years from 2007-08 to 2012-13 in line with the demands from BBMP. The details of yearwise provision made in the books are as under:

2007-08	Rs. 28,78,787/-
2008-09	Rs. 23,72,187/-
2009-10	Rs. 23,72,187/-
2010-11	Rs. 23,72,187/-
2011-12	Rs. 23,72,187/-
2012-13	Rs. 23,72,187/-
Total	Rs.1,47,39,722/-

Further, the property was registered in favour of KTPO on 15.12.2010. The said date will have to be taken in to consideration to determine the effective date from which the property tax has to be paid by KTPO. Also the amount provided up to 2012-13 towards property tax is based on present tax claims and likely to be revised and reply is expected from BBMP and revised claims may not exceed the provision already made.

In view of the above, and also the exact liability of property tax is yet to be ascertained, the penal interest, is not provided in the books, as the issue of granting exemption has been pending with C&I and UDD of GOK. Action will be taken as per the decision that may be communicated by C&I/UDD of GOK with the approval of the Board.

- 26** The balances in parties accounts are subject to confirmation and reconciliation.
- 27** 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)
- 28 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, IAS)
Director

Sd/-
(Mahendra Kumar)
Proprietor
Membership No.027218

Place: Bangalore
Date: 18/07/2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

(Amount in Rs.)

	For the year ending 31.03.2013	For the year ending 31.03.2012
A. Cash Flow from Operating Activities:		
Excess of Income over Expenditure before tax from continuing operations	5,73,62,602.36	2,84,12,426.69
Non cash adjustments - Depreciation	98,57,930.00	1,09,86,998.00
Interest Income (on FD)	(1,99,25,940.93)	(1,41,83,731.84)
Operating Excess of Income over Expenditure before working capital changes	4,72,94,591.43	2,52,15,692.85
Changes in Working Capital		
Increase in other current liabilities	39,90,932.10	52,03,004.90
Increase in short term provisions	2,14,551.00	53,480.00
Decrease/Increase in short term loans & advances	(1,26,13,536.56)	77,75,972.05
Increase in other current assets	(17,47,942.00)	(44,45,765.73)
Net Cash Flow from Operating Activities	3,71,38,595.97	3,38,02,384.07
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets (Tangible)	(41,743.00)	(31,49,140.00)
Investment in Bank Deposits (Having original maturity of more than 3 months)	(5,68,55,596.00)	(4,58,33,670.00)
Interest received (on FD)	1,99,25,940.93	1,41,83,731.84
Net Cash Flow from Investing Activities	(3,69,71,398.07)	(3,47,99,078.16)
C. Cash Flow from Financing Activities:		
Increase in long term borrowings	---	26,91,862.00
Net Cash Flow from Financing Activities	---	26,91,862.00
1. Net increase(decrease) in cash & cash equivalents	1,67,197.90	16,95,167.91
2. Cash & cash equivalents at the beginnings of the year	(3,24,385.64)	(20,19,553.55)
3. Cash & cash equivalents at the end of the year	(1,57,187.74)	(3,24,385.64)
Components of the Cash Equivalents - Closing Balances		
Cash In Hand	7,578.75	13,192.00
Balances in SB/Current Accounts	(1,64,766.49)	(3,37,577.64)
Total Cash Equivalents Note No. 10	(1,57,187.74)	(3,24,385.64)

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: 18/07/2013

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 2013, 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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment 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 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 evaluating the overall presentation of the financial statements. We believe that our audit evidence we have obtained is sufficient and appropriate to provides a basis for our audit opinion.

4. Basis for qualified opinion

a) Non provision of Penalty (Interest) on Non payment of Property Tax.

Reference is made to Note No. 25. In notes to financial statements on the issue of Property Tax. The company had made a provision for RS.1,47,39,722 towards property tax payable for the years from 2007-08 to 2012-13 based on the demands from ARO, BBMP and JC, BBMP Mahadevapur though the company has disputed the computation of

property tax and the tax amount demanded. As per the Company the property tax payable by the company for the years 2008-09 to 2012-13 works out at RS.82,32,965 and accordingly the company had requested BBMP to revise the demands as applicable to Govt. Organisation and the matter is still pending before the BBMP. Since the company has made adequate provision in respect of Property Tax as per demand notices, received from BBMP which would be adequate enough even to cover the interest portion that may be levied by the BBMP for delayed payment. The estimated amount of interest on Property Tax based upon demand of Property Tax works out to Rs.96,98,312/- which has resulted in overstatement of surplus (excess of income over expenditure) by Rs. 31 ,78,333/- for the year 2012-13 and by Rs.65,19,979/- for earlier periods and under statement of liabilities by Rs.96,98,312/-.

The company's Petition dated 12.12.2012 to Department of Commerce & Industries, Government of Karnataka to exempt the company from payment of Property tax is still pending with Government of Karnataka in view of the MOU between Government of India and Government of Karnataka.

b) 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 issue 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, value 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 though 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/liability from/to KIADB representing Government of Karnataka to the extent of RS.10 Crores.

(c) 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 for the exhibition complex in the white field area to the joint venture company in a location a ~ 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.

(d) Non Provision of Income tax for the F.Y. 2008-09 to 2012-13

- (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 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 arise in future.
- (ii) During the Financial year the Company 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.

- (iii) 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/S 12AA (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.
- (iv) The Income Tax returns filed by the company for Assessment Year from 2008-09 to 2012-13 except for Assessment Year 2010-11 as stated above are pending for assessment. The Company has further, during the year, received 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 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 on the liability side of the Company. The amount of Tax is not quantified for want of adequate data/information and we are unable 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 31.03.2013.
- (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 Board 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 31/03/2013 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.25.01 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 proper 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.
- e) The Company has informed Department of Company Affairs vide notification No.GSR 829(E) dated 21.10.2003 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.
- 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: 25-07-2013



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 2013

The preparation of financial statements of **Karnataka Trade Promotion Organisation, Bangalore** for the year ended on 31 March 2013 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 the independent audit in accordance with the Auditing and Assurance Standards 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 July 2013.

I, on the 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 2013 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

**For and on 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: 13 August 2013



INDIA TRADE PROMOTION ORGANISATION
Pragati Bhawan, Pragati Maidan, New Delhi - 110001
