41st ANNUAL REPORT 2017 - 2018




(International Exhibition cum Convention Centre, Pragati Maidan)

India Trade Promotion Organisation

Hon’ble President of India, Shri Ram Nath Kovind at inauguration of India International Trade Fair, 2017

India Trade Promotion Organisation

Annual Report 2017-18

Papers to be laid on the table of
Lok Sabha / Rajya Sabha

AUTHENTICATED

41st Annual General Meeting of ITPO in Progress

Auditors

M/s S P Chopra & Co.
Chartered Accountants

Main Bankers

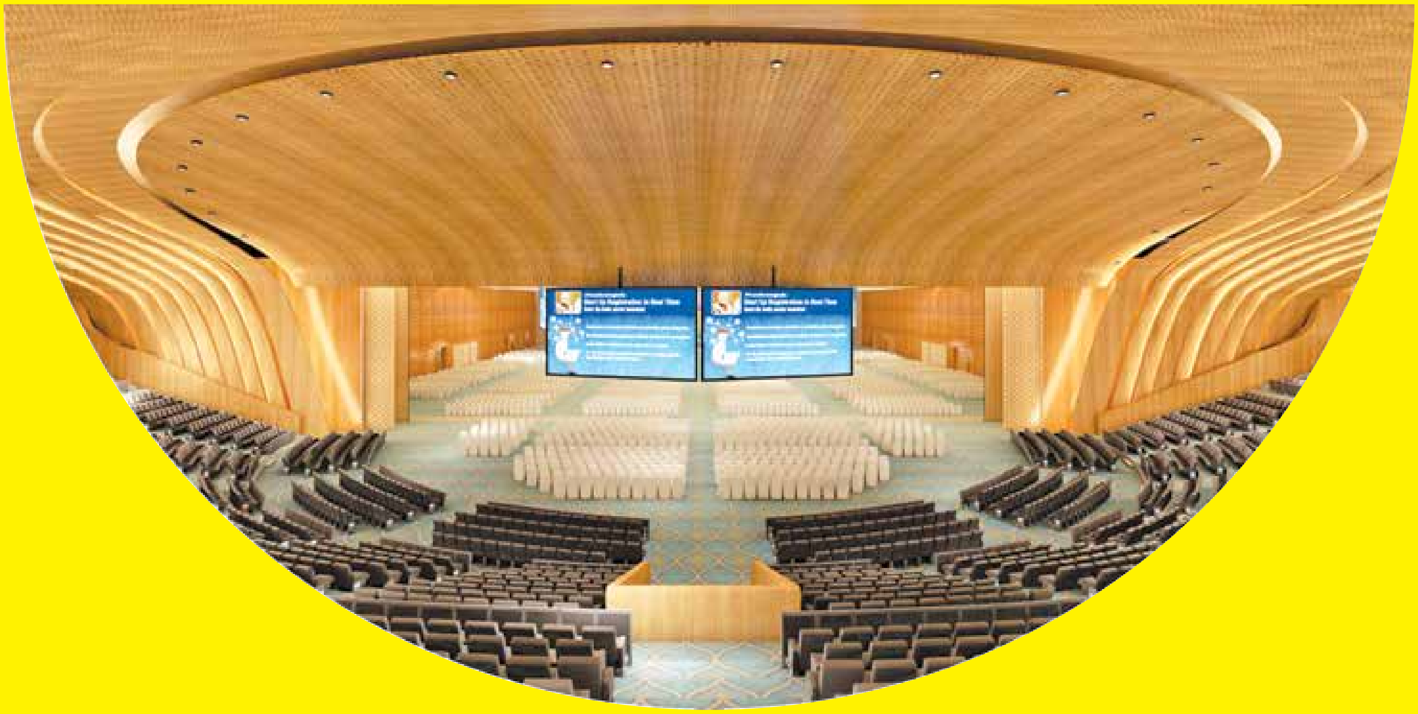
Central Bank of India
Canara Bank
Union Bank of India

41st

ANNUAL REPORT

2017 - 2018

India Trade Promotion Organisation



World Class Iconic International
Exhibition-Cum-Convention Centre (IECC)

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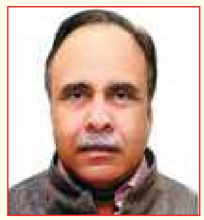
MODERN EXHIBITION HALL OF IECC PROJECT

MODERN EXHIBITION HALLS AND F & B LOUNGE OF IECC PROJECT

BOARD OF DIRECTORS

Shri L.C.Goyal
Chairman & Managing Director
(w.e.f. 2.9.2015)

Shri J.K. Dadoo
Addl. Secretary & Financial Adviser
Ministry of Commerce and Industry
(Up to 31-12-2017)



Dr. S. C. Pandey,
Special Secretary & Financial Advisor
Ministry of Commerce & Industry
(w.e.f 08-02-2018)

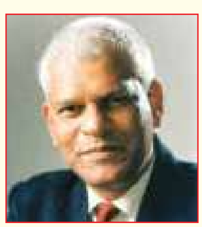
Shri Sanjay chadha
Addl. Secretary
Ministry of Commerce and Industry
(w.e.f. 30-3-2016)

Shri Manoj Joshi
Joint Secretary
Ministry of Micro Small & Medium Enterprises
(Up to 16-8-2017)

Smt. Alka Nangia Arora
Joint Secretary
Ministry of Micro Small & Medium Enterprises
(w.e.f. 17-8-2017)

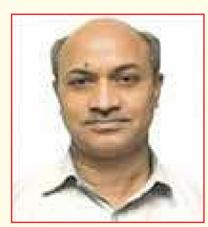
Shri K. Nagaraj Naidu
Joint Secretary (ED)
Ministry of External Affairs
(Up to 04-01-2018)

Shri Vinod K. Jacob
Joint Secretary(ED)
Ministry of External Affairs
(w.e.f 05-01-2018)



Shri P.N. Vijay
Director
(w.e.f. 10-6-2016)

Shri Rajneesh
Executive Director
(Up to 24-5-2017)



Shri Deepak Kumar
Executive Director
(w.e.f. 25-5-2017)

KEY EXECUTIVES

(As on date of AGM on 22.10.2018)

Shri Jayanta Das
Sr. General Manager

Shri Ajay Kumar Vashist
General Manager

Shri D M Sharma
FA&CAO

Shri Vikas Malhotra
General Manager

Shri S. R. Sahoo
Company Secretary & General Manager

Shri D.K. Jain
General Manager

Shri Ashutosh Varma
General Manager

Mrs. Hema Maity
General Manager

India International Trade Fair 2017

ITPO Offices in India

India Trade
Promotion Organisation

India International Trade Fair 2017

ITPO OFFICES IN INDIA

Registered & Head Office

India Trade Promotion Organisation
Pragati Bhawan, Pragati Maidan, New Delhi-110001 (INDIA)
Tel.: 91-11-23371540 (EPABX) Fax : 91-11-23371492
E-mail: info@itpo.gov.in Website : www.Indiatradefair.com
Trade Portal : www.tradeportalofindia.com
CIN : U74899DL1976NPL008453

REGIONAL OFFICES

Chennai

Raja Annamalai Building, 2nd Floor,
18-A, Rukmani Lakshmipathi Road,
Egmore, Chennai-600008
Tel.: 91-44-28554655/28587297/28415416/28524655
Fax : 91-44-28554740
E-mail: itpochn@md4.vsnl.net.in
narayanv@itpo.gov.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/rroy@itpo.gov.in

Mumbai

7-Cooperage Road,
3rd Floor, Jhansi Castle,
Mumbai- 400001.
Tel.: 91-22-22026629/22021788/22044918/22021730/22850878
Fax : 91-22-22044922
E-mail: itpo@itpomumbai.com/itpomumbai@gmail.com

India International Trade Fair 2017

Chairman's Statement



India Trade
Promotion Organisation

CHAIRMAN'S STATEMENT 41ST ANNUAL GENERAL MEETING

LADIES & GENTLEMEN,

It is my honour and proud privilege to extend a very warm welcome to you all to the 41st Annual General Meeting of ITPO.

The Directors Report and the Audited Accounts and Consolidated Accounts for the financial year 2017-18, along with the observations of Statutory Auditors and the Comments of the Comptroller & Auditor General of India have already been circulated. I am extremely delighted to mention that Annual Accounts of ITPO for the year 2017-18 have received 'Nil' comments from C&AG of India. With your permission, I take them as read.

CHALLENGES AND OPPORTUNITIES AHEAD

The exhibition industry in India is poised for a tremendous growth due to the sustained growth in economy and trade. Indeed, over the next decade or so, Asia and India in particular will be at the forefront of Global Exhibition and Convention Industry. To make best use of the opportunities, Your Company is in the midst of implementing a mega IECC Project which is likely to be completed by the end of September, 2019.

Also Your Company continues with renewed vigour to take up challenges and opportunities and contribute to the growth of economy by showcasing India's strength and potential through trade fairs/exhibitions in India and abroad. Your Company will face competition from the other exhibition centres in existence and upcoming venues. However, with the upgraded infrastructure including the world-class facilities for exhibitions and conventions on completion of IECC Project, ITPO will be able to do better and organise more number of exhibitions and conferences. ITPO has taken a major initiative by setting up a Single Point Contact (SPC) for ease of doing business at Pragati Maidan which facilitates third party organisers to resolve issues through a single window while holding events at Pragati Maidan. Further, action has been initiated so that the requirement of various NOCs can be taken online from

DCP(Licensing), instead of seeking individual NOCs from various departments to obtain the permission of DCP (Licensing) for holding any exhibition/conference at Pragati Maidan. ITPO has taken up the theme **"Rural Enterprises in India"** during IITF, 2018 (14-27 November), where all States and Government Organisations and other stakeholders will put their best foot forward for realisation of the Hon'ble Prime Minister's vision of "Sab Ka Sath Sabka Vikas".

FINANCIAL PERFORMANCE

I am happy to mention that the total income generated by the Company during the year is Rs.359.55 crore against **Rs. 390.06 crore (Recast as per Ind-AS)** generated in the previous year. The main reasons for marginal decline in total Income are the reduction in Interest rates, the reduction in free reserves and the reduction in exhibition space due to the ongoing IECC Project. In spite of various constraints due to ongoing activities of IECC Project at Pragati Maidan, ITPO could hold various third party exhibitions to the best satisfaction of the organisers.

MAJOR ACHIEVEMENTS/ HIGHLIGHTS OF ACTIVITIES OF ITPO

Performance Rating Under MoU

Your Company has achieved MoU "**Very Good**" rating for 2016-17 which would have been "**Excellent**" without the impact of pay revision, gratuity and leave encashment of Rs.22 Crore (approx.) due to Pay Revision guidelines of 3rd PRC w.e.f. 1.1.2017. For the year 2017-18, as per self-evaluation, the MoU rating is likely to be "Excellent".

During the year, significant initiatives have been undertaken for improving and augmenting the infrastructure capacity and service delivery of ITPO. These include the following:

- **E-Enablement for ease of doing business:**
- Online booking of tickets implemented for IITF and New Delhi World Book Fair.
- Online space booking system in domestic events.
- E-procurement from GEMS/e-tendering introduced.
- Mobile Apps introduced in ITPO's domestic fairs.
- Functioning of E-payment/E-refund.
- Wi-fi facility in all AC halls.
- Use of social media – Facebook, Twitter and YouTube.
- Comprehensive Mobile Apps of ITPO is at a final stage.
- **Customer Friendly Measures**
- Implementation of 'Help Desk' during third-party events.
- Regular interaction with participants/ organizers.
- Launch of online application system for submission of applications for booking of halls for third-party events.

PARTICIPATION IN FAIRS HELD ABROAD

During the year 2017-18, the company organized India's national level participation and organized India shows in 27 no. of overseas trade fairs including EXPO, 2017 Astana(Kazakhstan), two Mini India shows in Osaka(Japan), and three India Sourcing Fairs in Santiago(Chile), Lima(Peru) and St. Petersburg(Russia). Out of these 27 events, 5 were held in Europe, 5 in Africa/WANA, 3 in NAFTA,3 in LAC, 1 in Asia, 1 in South Asia, 7 in NEA and 2 in CIS Region. Out of these events, 5 were new events. 20 B2B events and 7 B2B/B2C events were organised during 2017-18

Some of the major events included EXPO, 2017

Astana(Kazakhstan), Africa's Big Seven/ SAITEX, Johannesburg (South Africa), Summer Fancy Food Show,New York(USA), Anuga, Cologne(Germany), India Garments Fair and India Home Furnishings Fair, Osaka(Japan), AAPEX ,Las Vegas (USA), MEDICA, Dusseldorf (Germany), Foodex, Japan and AFL' Artigiano in Fiera – International Handicrafts Fair in Milan (Italy).

That apart, the company organised 38th and 28th editions of its long established overseas events viz., India Garments Fair and India Home Furnishings Fair, respectively, in Osaka (Japan).

DOMESTIC FAIRS

During 2017-18, 19 no. of national and international trade fairs/ exhibitions were organized in India by your Company. Of these, 14 were organized in Delhi and 5 in other cities. The events organized in Pragati Maidan during the year included 3rd edition of India International Footwear Fair (IIFF), August 4-6, 2017; 37th India International Trade Fair (IITF 2017)November 14-27, 2017; 33rd edition of Aahar – The International Food & Hospitality Fair, March 13-17, 2018; 20th India International Security Expo, October 05-07, 2017, 13th Nakshtra, January 6-14, 2018, Tex-Styles India, February 26-28, 2018 and Aajeevika, March 23– April 1, 2018. To promote Trade and Commerce in the North East Sector, the 9th East Himalayan Expo was successfully organized in Shillong, Meghalaya.

- **India International Trade Fair, 2017**

  The 37th India International Trade Fair, 2017 (IITF2017) was held during November 14-27, 2017 in Pragati Maidan. The theme of the Fair was "Startup India; Standup India". The fair was inaugurated by the Hon'ble President of India, Shri Ram Nath Kovind. The theme Pavilion was set up by the Department of Industrial Policy and Promotion, Ministry of Commerce. The theme was adopted by all State/Government Pavilions as display concept for the respective pavilions.

  The Socialist Republic of Vietnam was the Partner country and Kyrgystan was the focus country. Jharkhand was nominated as the Partner State. As many as 220 foreign companies from 20 countries and over 3000 domestic companies participated in the event. The government's participation came from 46 departments, apart from 27 states and 04 Union Territories, and had exclusive pavilions. The fair registered a record foreign participation from Afghanistan, Bahrain, Bangladesh, Bhutan, China, Hong Kong, Indonesia, Iran, Iraq, South Korea, Myanmar, South Africa, Sri Lanka, Thailand, Turkey, Kyrgyz Republic, Netherlands, UAE, UK and Vietnam.

- **33rd Aahar – The International Food & Hospitality Fair, 2018, Delhi**

  AAHAR is one of the biggest B2B exhibitions of its kind in South Asia. The 33rd edition of Aahar was organized from March 13-17, 2018. As in the past, the event was supported by the Ministry of Food Processing Industries (MOFPI), APEDA and other Industry Associates.

  The fair was inaugurated by Shri Suresh Prabhu, the Hon'ble Miniser of Commerce and Industry. The show was broadly divided into three categories i.e. 1. Food Products & Beverages 2.F&B equipment (Preparation / Processing /Packing) 3. Hospitality and Décor Solutions. The Culinary competitions organized by the Indian Culinary Forum (ICF) were the centre of the attraction at the fair.

- **23rd Delhi Book Fair, 2017**

  The Company organized the 23rd edition of

Delhi Book Fair from 26th August to 3rd September, 2017 in Halls 8-11, Pragati Maidan, New Delhi. The fair was organized in association with the Federation of Indian Publishers. A theme pavilion depicting "**PADHE BHARAT BADHE BHARAT**" was set-up in Hall-8.

- **India International Security Expo' 2017**

The 20th edition of the India International Security Expo was organised with the support of Ministry of Home Affairs, Government of India at Pragati Maidan, New Delhi from October 5-7, 2017. IISE 2017 was inaugurated by Shri C.R. Chaudhary, Hon'ble Union Minister of State for Commerce and Industry.

- **India International Footwear Fair, Delhi, 2017**

The Company organized the third edition of India International Footwear Fair (IIFF) in Halls 14 and 18, Pragati Maidan, New Delhi from August 4-6, 2017. It was co-sponsored by the Confederation of Indian Footwear Industries (CIFI). Shri Santosh Gangwar, Hon'ble Minister of State for Finance, Govt. of India inaugurated the fair on 4th August, 2017. IIFF, 2017 covered a net area of 5700 sq.mtrs.

- **Aajeevika, Delhi**

Aajeevika was held from March 23 – April 1, 2018. In line with Deen Dayal Antyodaya Yojana, the National Rural Livelihood Mission, ITPO recently took up this unique initiative of organising 'Aajeevika' to make its contribution in providing marketing support to rural and small scale craftpersons, entrepreneurs and manufacturers for multiple products produced/ manufactured by them. The event was organised with the support of the Ministry of Rural Development (CAPART) and Ministry of Micro, Small & Medium Enterprise. CAPART organised its brand event "SARAS" as a part of the AAJEEVIKA Mela and further, MSME & NSIC organised an event comprising of small scale units.

FAIRS HELD OUTSIDE DELHI

- **India International Leather Fair (IILF), 2018, Chennai**

The Company organized the 33rd edition of India International Leather Fair (IILF) in Chennai from February 1-3, 2018. The fair was organized in close collaboration with Council for Leather Exports (CLE), Central Leather Research Institute (CLRI), India Shoe Federation (ISF), Indian Finished Leather Manufacturers and Exporters Association (IFLMEA), Footwear Design & Development Institute (FDDI) and Indian Footwear Components Manufacturers Association (IFCOMA). Shri Suresh Prabhu, Hon'ble Minister of Commerce and industry, Govt. of India inaugurated the Fair on 31st January, 2018. The fair was open to business visitors from February 1-3, 2018.

- **23rd India International Leather Fair (IILF), 2018, Kolkata**

India International Leather Fair (IILF) is a B2B fair with the aim to promote export of leather goods and finished leather from India especially from West Bengal. The 23rd edition of India International Leather Fair was successfully organized at Biswa Bangla Convention Centre in Kolkata from February 26-28, 2018.

- **9th East Himalayan Expo, 2017, Shillong, Meghalaya**

9th East Himalayan Expo, 2017 was organized in Shillong, Meghalaya from December 14 – 20,

2017. The fair was co-organised by Ministry of DONER and was actively supported by Govt. of Meghalaya. His Excellency Hon'ble Governor of Meghalaya, Shri Ganga Prasad inaugurated the Fair on 14th December, 2017.

- **AAHAR – THE INTERNATIONAL FOOD & HOSPITALITY FAIR, 2017, MUMBAI**

  To promote its flagship events in regional centres, ITPO organised the maiden Mumbai edition of "AAHAR" at CIDCO Exhibition Centre, Vashi, Navi Mumbai from October 11-14, 2017. The show was organised in a gross area of 5000 sq.mtrs. and had participation from 84 companies including large scale participation of companies from western, southern and central parts of India.

FAIRS ORGANISED BY THIRD-PARTY ORGANISERS AT PRAGATI MAIDAN, NEW DELHI

A total of 71 third-party events were held in Pragati Maidan during 2017-18. Out of these, 7 were new exhibitions/events, held in Pragati Maidan for the first time.

The popular events organized during the year were Oracle India World (India Chapter), 3rd Smart Cities India 2017 Expo, Plast Asia 2017, Delhi Jewellery and Gem Fair, Korean Expo, India Mobile Congress 2017, ET ACETECH 2017 etc. Rashtriya Awas Diwas 2017 was a unique initiative by ITPO to organize the event as an event manager of National House Development Organisation, New Delhi. Pragati Maidan also became the hosting venue for the event Korean Expo 2017 organised by Korea Trade centre, Embassy of Republic of Korea wherein household goods, industry materials & machine equipments were displayed during the three day expo. Pragati Maidan also witnessed the event India Mobile Congress, a mega telecom event during the year 2017-18. Some Halls were demolished in this period due to which some events got cancelled or the scale of some other events got reduced. However, in spite of construction/demolition work, ITPO could provide all the services and Pragati Maidan continues to be the preferred destination as the exhibition venue for events covering all the sectors of the Exhibition Industry.

OTHER TRADE PROMOTIONAL ACTIVITIES

A total of 666 trade visitors visited various Trade Fairs organized by India Trade Promotion Organisation from April 2017 till March 2018 to explore the possibility of collaboration in trade promotion efforts.

REDEVELOPMENT PROJECT(IECC)

ITPO is implementing its ambitious plan of redevelopment of its landmark exhibition ground Pragati Maidan into a modern state-of-the-art International Exhibition-cum-Convention Centre (IECC) in two phases, bringing it on par with the best Exhibition and Convention Centres across the world. The project is of national importance. The infrastructure is likely to fill critical gaps in requirements for MICE (Meetings, Incentives, Conferences and Events) sector in the NCR. It is expected to substantially increase foreign exchange earnings of the country and revenues of the services & business sector of Delhi, as many events in MICE Sector may shift to New Delhi from East Asian and other countries of the world. The IECC will be a landmark and an iconic spot in Delhi and a unique symbol of the Prime Minister's vision of 'New India' in sync with India aspiring to be a global power. Fulfilling aspirations of expanding business and trade fraternity, IECC will mainly cater to G2G, G2B and B2B activities.

The project proposal includes the development of 3,82,248 sqm of total built up area including a state-of-

the-art Convention Centre of an area of 53,399 sq.mtrs., six modern exhibition halls with an area of 1,51,687 sq. mtrs, basement parking for 4800 ECUs (Equivalent car units) of 1,68,305 sq. mtrs. area and an Administrative Building of 8,857 sq.mtrs. in Phase-I. A site of area 3.70 acres on Bhairon Marg with independent entry and exit points is also being monetized for a hotel as a part of the complex in line with the fact that hospitality, worldwide, is an integral part of any modern MICE destination.

The convention Centre will be a 34 m tall landmark building on par with the best in the world. This structure will be on an elevated podium with a unique sloping facade incorporating the rich architectural heritage of Delhi. The Convention Centre will have a seating facility for 7000 pax in a single format (a Plenary Hall of 3000 pax capacity and a multi-Function hall of 4000 pax), five times that of Vigyan Bhawan, along with 25 meeting rooms of different capacities and comprising G20 and Premium rooms. It will significantly add to the grandeur, stature and profile of the capital city of Delhi. It will also have an amphitheatre of 3,000 seating capacity.

Traffic decongestion interventions vital for better access to IECC and for the benefit of general public are also being taken up. Essentially, Purana Quila Road will be connected to Ring Road through a 6-lane divided tunnel cutting across Pragati Maidan providing an alternative to Bhairon Marg which remains choked beyond capacity. T-junctions of Bhairon Marg with Ring Road and Mathura Road and the entire stretch of Mathura Road from DPS to W-Point will be made single free. All of this would decongest traffic in this area as also will reduce pollution levels.

The project cost for both IECC and traffic decongestion interventions is Rs. 3437 crore. Both the Projects are in a fast track mode and to be completed by the end of September, 2019.

The IECC project at Pragati Maidan will be a real game changer and set a new trend for such exhibition venues across the country. This venue will enable the new opportunities of trade promotion and business growth for not only Indian exhibition and convention industry but also globally. The global exhibition and convention industry is very excited about the upcoming venue and is eagerly looking forward to its commissioning. Overall, the new venue at Pragati Maidan will help position India globally in terms of its growing strength and potential for trade, investment and manufacturing activity.

TOWARDS ICT ENABLEMENT

India Trade Promotion Organisation (ITPO), to sustain in its endeavour to be transparent in its dealings, accountable for its activities, faster and more user friendly in its responses and as a part of good governance initiatives, continued and explained utilization of ICT (Information and Communications Technology) for carrying out its functions and achieving the desired results thereby ensuring equitable access to ITPO's services to the public. This soft aspect of ITPO has become even more necessary and imperative when a world class new Complex is upcoming at Pragati Maidan.

HINDI RAJ BHASHA

To ensure proper implementation of Official Language Policy of Govt. of India in ITPO, an Official Language Committee has been constituted under the Chairmanship of Chairman & Managing Director and its meetings are organized regularly.

SUBSIDIARY COMPANIES:

Tamilnadu Trade Promotion Organisation (TNTPO)

During 2017-18, 116 exhibitions were held in the Exhibition Halls of Chennai Trade Centre and

100 events took place in the Convention Centre. TNTPO earned a total income of Rs 47.56 crore as compared to Rs 47.49 crore in the previous year. The net surplus is Rs. 31.59 crore after considering 'Other comprehensive Income', as against Rs.31.53 crore(Recast as per Ind-AS) in the previous year.

The Board of TNTPO has approved the construction of a multi-purpose (Exhibition/Convention) hall with an area of 15,708 square meters under expansion plan of TNTPO. After the expansion, there will be a total of 3 halls for conventions and 4 halls for exhibitions in the total area of 31,063 Square meters at an area of 34.61 acres of land. The estimated project cost can be upto Rs. 289 crore.

Karnataka Trade Promotion Organisation (KTPO):

During 2017-18, 34 events were held in Trade Centre, Bangalore. KTPO earned a total income of Rs 11.28 crore as compared to Rs 7.99 crore in the previous year. The net surplus is Rs. 19.95 crore (previous year Rs. 53.16 crore) mainly on account of compensation received for a portion of the land acquired by Bangalore Metro Rail Corporation from the company. The Board has approved the construction of a multi-purpose (convention/exhibition) hall with an area of 5000 sq. mtrs. under expansion plan of KTPO. After the expansion, there will be a total of 2 halls for conventions and exhibitions with a total area of 11,871 Sq. Mtrs. The estimated project cost can be upto Rs.67.59 crore.

HUMAN RESOURCE MANAGEMENT

Guidelines on reservation were compiled with within ITPO. Liaison Officers have been nominated to look after the interests of SCs/STs & OBC. All the guidelines in respect of SC/ST and minority 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 persons, on Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been complied with.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The thrust of CSR and Sustainability is on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, development of backward regions, and uplift of marginalized and under-privileged sections of the society.

ITPO has been strictly adhering to the CSR and Sustainability Guidelines issued by Department of Public Enterprises and the applicable Act & Rules of the Companies Act 2013. During the year, various projects were implemented under CSR for the blinds, leprosy patients, differently-abled persons and for other weaker sections of the society including contribution towards Swachh Bharat Kosh and Clean Ganga Kosh of the Government of India.

CORPORATE GOVERNANCE

Your company complies with the best Corporate Governance practices in true letter and spirit. The Company submitted Reports on Compliance on Corporate Governance to the Department of Commerce during 2017-18. Risk management is also being undertaken to minimise various risks.

CODE OF CONDUCT

The Code of Conduct formulated for the Board members & Senior Management Personnel has been duly complied with. The confirmation of compliance of the same has been obtained from all concerned as per the DPE guidelines and the declaration has been placed as part of the Directors' Report.

ACKNOWLEDGEMENTS

I take this opportunity to thank all the Members of Company for their continued and unstinted support as well as the confidence reposed in the Management. I wish to extend my sincere thanks to the Department of Commerce for the wholehearted and continued support. I am also thankful to other Ministries/Embassies and offices of Central and State Governments and particularly the Ministry of Housing and Urban Affairs, Ministry of External Affairs, including the Indian Missions, for their continued guidance and assistance. We are also grateful to the CPWD, PWD, MCD, Delhi Police, MTNL and other agencies and individuals for co-operation extended to ITPO.

On behalf of ITPO, I seek support from all stakeholders and assure them to make ITPO a better service provider in terms of both quality and delivery. My sincere thanks to all my colleagues on the Board, Auditors and to all the employees of ITPO for their discipline, devotion, dedication and hard work for the company's continued excellent performance. I am sure that with their support and trust, ITPO will achieve many more milestones and newer heights ahead in the future and together we can take ITPO to the next level.

Jai Hind.

Sd/-
(L.C. Goyal)
Chairman and Managing Director
India Trade Promotion Organisation

Place : New Delhi
Date : October 22, 2018

Delhi Book Fair 2017

Notice of Annual General Meeting



India Trade
Promotion Organisation

Stationery Fair 2017

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 41st ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S INDIA TRADE PROMOTION ORGANISATION WILL BE HELD ON TUESDAY THE 22nd DAY OF OCTOBER, 2018 AT 3:00 PM AT THE REGISTERED OFFICE OF THE COMPANY AT PRAGATI BHAWAN, PRAGATI MAIDAN, NEW DELHI - 110001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

To receive, consider, approve and adopt the Standalone Audited Annual Accounts and Consolidated Accounts as at 31st March, 2018 and the Statement of Income & Expenditure for the financial year ended on that date together with the report of Directors and the Auditors' Report thereon.

BY ORDER OF THE BOARD OF DIRECTORS
INDIA TRADE PROMOTION ORGANISATION

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

Place: New Delhi
Dated: 05-10-2018

NOTES

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.

Proxy form is enclosed herewith.

BY ORDER OF THE BOARD OF DIRECTORS
INDIA TRADE PROMOTION ORGANISATION

Sd/-
(S.R. Sahoo)
Comp**any Secretary**

Place: New Delhi
Dated: 05-10-2018

FORM NO. MGT -11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014)

CIN: U74899 DL1976 NPL008453

Name: of the Company: INDIA TRADE PROMOTION ORGANISATION

Registered office: PRAGATI BHAWAN, PRAGATI MAIDAN, NEW DELHI-110001

Name of the Member(s): Registered Address: Email id: Folio no/Client id: DP Id:

I/We being the member of ……………..holding……….shares, hereby appoint

Name : Address : E-mail ID : Signature : ,or failing him	Name : Address : E-mail ID : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at………….Annual General Meeting of members of the Company, to be held on …………..at the……………….registered office of the Company at…………and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No:

To receive, consider, approve and adopt the Standalone Audited Annual Accounts and Consolidated Accounts as on 31st March, 2018 and the Statement of Income & Expenditure for the financial year ended on that date together with the report of Directors and the Auditors' Report thereon.

Signed this_______________day of______________2018

Signature of Shareholder

Signature of Proxy holder(s)

AFFIX REVENUE STAMP

Note: *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.*

India International Footwear Fair 2017

Directors' Report



India Trade
Promotion Organisation

DIRECTORS' REPORT

To the Members,

The Board of Directors has pleasure in presenting the Company's 41st Annual Report and the Audited Statement of Accounts for the financial year ended on 31st March, 2018.

1. FINANCIAL HIGHLIGHTS

During the year 2017-18, your Company has earned a **surplus of Rs.134.69 crore** net after considering 'Other comprehensive Income', compared to **Rs.168.92 crore (Recast as per Ind-AS**) in the preceding year. The total income generated by the Company during the year is **Rs.359.55 crore** against **Rs. 390.06 crore (Recast as per Ind-AS**) generated in the previous year. The main reasons for decline in total Income are the reduction in Interest rates, the reduction in free reserves and the reduction in exhibition space due to the ongoing IECC Project.

The Company is registered under section 25 of the Companies Act, 1956 (now Section 8 of the Companies Act, 2013) and as per the relevant provisions under this Section, as applicable to the Company, declaration of dividend is prohibited. Consequently, the Surplus has been retained and transferred to the 'Other Equity'.

2. BOARD OF DIRECTORS

Shri L.C. Goyal is the Chairman & Managing Director of the Company. Shri Rajneesh, Joint Secretary, Ministry of Commerce & Industry was the Executive Director from 10th February, 2017 till 24th May, 2017. Shri Deepak Kumar took over the charge of the Executive Director, ITPO w.e.f. 25th May, 2017. The non-whole time Directors & Independent Director on the Board of the Company are enumerated below:

Sl. No.	Name of Director	From	To
1.	Shri J.K. Dadoo AS&FA, Department of Commerce, Udyog Bhawan, New Delhi	13.8.2015	31.12.2017
2.	Dr. Subhash Chandra Pandey Special Secretary & Financial Adviser, Department of Commerce, Udyog Bhawan, New Delhi	08.02.2018	Continuing
3.	Shri. Sanjay Chadha Additonal Secretary, Ministry of Commerce & Industry, New Delhi	30.03.2016	Continuing
4.	Shri Manoj Joshi Joint Secretary, Ministry of Micro Small & Medium Enterprises (MSME), New Delhi	28.12.2015	16.8.2017
5.	Smt. Alka Nangia Arora Joint Secretary Ministry of Micro Small & Medium Enterprises (MSME), New Delhi	17.8.2017	Continuing
6.	Shri K. Nagaraj Naidu Joint Secretary (ED), Ministry of External Affairs, New Delhi	07.07.2015	04.01.2018
7.	Shri Vinod K. Jacob Joint Secretary (ED), Ministry of External Affairs, New Delhi	05.01.2018	Continuing
8.	Shri P.N. Vijay Independent Director, Corporate Finance Expert	10.06.2016	Continuing



There were a total of 3 Meetings of the Board held during the year 2017-18. The Directors are appointed by the Administrative Ministry as per the Govt. of India policies in this regard.

3. KEY MANAGERIAL PERSONNEL

As per the Section 2(51) of the Companies Act, 2013, the following Key Managerial Personnel of ITPO were appointed to / relinquished / continuing the respective offices :-

- Shri L.C. Goyal, CMD, ITPO – continuing w.e.f. 02.09.2015
- Shri Rajneesh, ED, ITPO – from 10.02.2017 to 24.05.2017
- Shri Deepak Kumar, ED, ITPO – continuing w.e.f. 25.05.2017
- Shri D.M. Sharma, CFO – continuing w.e.f. 31.7.2015
- Shri S.R. Sahoo, Company Secretary – continuing w.e.f. 27.8.2013

4. MEMORANDAM OF UNDERSTANDING (MOU)

The Company signs an MoU with its Administrative Ministry namely, the Ministry of Commerce & Industry, Government of India every financial year. Accordingly, the MoU for the year 2018-19 was signed on 12th June 2018.

Your Company has achieved MoU "**Very Good**" rating for 2016-17 which would have been "Excellent" without the impact of pay revision, gratuity and leave encashment of Rs.22 Crore (approx.) due to Pay Revision guidelines of 3rd PRC w.e.f. 1.1.2017. For the year 2017-18, as per self-evaluation, the MoU rating is likely to be "**Excellent**".

For the year 2018-19, the financial target for 'Excellent' rating for "Revenue from operations (Net)" has been

Smt. Rita Teaotia, Commerce Secretary and Shri L.C. Goyal, CMD, ITPO & other Senior Officers on the ocassion of signing of MOU 2018-19 fixed at Rs. 170 crore. CMD, ITPO has observed that, in view of the ongoing Redevelopment Project (IECC) and the consequent space available for exhibition being much less in comparison to earlier years, achieving financial targets this year will be difficult. However, ITPO will make all out efforts to achieve at least “Very Good” rating as per the MoU targets for the year 2018-19. Further, ITPO will continue to ensure better service delivery to all stakeholders.

5. FOREIGN FAIRS

During the year 2017-18, the company organized India’s national level participation and organized India shows in 27 no. of overseas trade fairs including EXPO, 2017 Astana(Kazakhstan), two Mini India shows in Osaka(Japan), and three India Sourcing Fairs in Santiago(Chile), Lima(Peru) and St. Petersburg(Russia). Out of these 27 events, 5 were held in Europe, 5 in Africa/WANA, 3 in NAFTA,3 in LAC, 1 in Asia, 1 in South Asia, 7 in NEA and 2 in CIS Region. Out of these events, 5 were new events. 20 B2B events and 7 B2B/B2C events were organised during 2017-18

Some of the major events included EXPO, 2017 Astana(Kazakhstan), Africa’s Big Seven/ SAITEX, Johannesburg (South Africa), Summer Fancy Food Show,New York(USA), Anuga, Cologne(Germany), India Garments Fair and India Home Furnishings Fair, Osaka(Japan), AAPEX ,Las Vegas (USA), MEDICA, Dusseldorf (Germany), Foodex, Japan and AFL’ Artigiano in Fiera – International Handicrafts Fair in Milan (Italy).

That apart, the company organised 38th and 28th editions of its long established overseas events viz., India Garments Fair and India Home Furnishings Fair, respectively, in Osaka (Japan).

India Show, Lima, Peru-2018

6. FAIRS IN INDIA

During 2017-18, 19 no. of national and international trade fairs/ exhibitions were organized in India by your Company. Of these, 14 were organized in Delhi and 5 in other cities. The events organized in Pragati Maidan during the year included 3rd edition of India International Footwear Fair (IIFF), August 4-6, 2017; 37th India International Trade Fair (IITF 2017)November 14-27, 2017; 33rd edition of Aahar – The International Food & Hospitality Fair, March 13-17, 2018; 20th India International Security Expo, October 05-07, 2017, 13th Nakshtra, January 6-14, 2018, Tex-Styles India, February 26-28, 2018 and Aajeevika, March23– April 1, 2018. To promote exhibition in North East Sector, the 9th East Himalayan Expo was successfully organized in Shillong, Meghalaya.

I. MAJOR FAIRS HELD AT PRAGATI MAIDAN, NEW DELHI

- **India International Trade Fair, 2017**

The 37th India International Trade Fair, 2017 (IITF"2017) was held during November 14-27, 2017 in Pragati Maidan. The theme of the Fair was "Startup India; Standup India". The fair was inaugurated by the Hon'ble President of India, Shri Ram Nath Kovind. The theme Pavilion was set up by the Department of Industrial Policy and Promotion, Ministry of Commerce. The theme was adopted by all State/Government Pavilions as display concept for the respective pavilions.

The Socialist Republic of Vietnam was the Partner country and Kyrgyzstan was the focus country. Jharkhand was nominated as the Partner State. As many as 220 foreign companies from 20 countries and over 3000

India International Trade Fair, 2017

domestic companies participated in the event. The government's participation came from 46 departments, apart from 27 states and 04 Union Territories, and had exclusive pavilions. The fair registered a record foreign participation from Afghanistan, Bahrain, Bangladesh, Bhutan, China, Hong Kong, Indonesia, Iran, Iraq, South Korea, Myanmar, South Africa, Sri Lanka, Thailand, Turkey, Kyrgyz Republic, Netherlands, UAE, UK and Vietnam.

Extensive efforts were made by ITPO to improve the portfolio of the event. These include introduction of online system for booking of space and other services; online registration for dignitaries during the first four days; lounge facility for senior citizens; sale of entry tickets on the Hop-on-Hop-off buses; free health camp; and information on mobile app and LED screen to highlight products and services. A significant group participation of SMEs and Rural Artisans was organized by CAPART, HUDCO, KVIC, MSME, M/o Rural Development, M/o of Social Justice, M/o of Minority Affairs.

The other services which were provided for Senior Citizens and differently- abled persons were free pick-up and drop- off services for senior citizens and setting up of Exclusive Lounges. The Hop-On and Hop-Off bus services linking the entry gates of Pragati Maidan, Indraprastha, ITO and Mandi House were increased. The tickets were made available online. The ATMs and ATM vans were provided for the benefit of exhibitors, buyers and visitors in addition to the card swiping machines provided for the exhibitors. Several medical camps/First Aid facilities including Ambulances are the usual services being provided every year to facilitate the visitors and exhibitors during the fair. Due to Re-development of Pragati Maidan, entry of visitors to Pragati Maidan was restricted to 65,000, per day. Accordingly, the entry tickets were sold at the venues away from Pragati Maidan, to avoid overcrowding of surrounding areas. Due to the introduction of GST on all products, a special facility regarding availability of Government officials from GST department was provided for the benefit of the exhibitors in all the halls.

AAHAR-The International Food & Hospitality Fair 2018.

- **33rd Aahar – The International Food & Hospitality Fair, 2018, Delhi**

AAHAR is one of the biggest B2B exhibitions of its kind in South Asia. The 33rd edition of Aahar was organized from March 13-17, 2018. As in the past, the event was supported by Ministry of Food Processing Industries (MOFPI), APEDA and other Industry Associates.

The fair was inaugurated by Shri Suresh Prabhu, the Hon'ble Miniser of Commerce and Industry. The show was broadly divided into three categories i.e. 1. Food Products & Beverages 2.F&B equipment (Preparation / Processing /Packing) 3. Hospitality and Décor Solutions. The Culinary competitions organized by the Indian Culinary Forum (ICF) were the centre of the attraction at the fair.

Due to the ongoing Re-development, the show was restricted to only 38000 sqm gross area. The show had participation from 866 exhibitors including 77 foreign exhibitors from 18 countries. The countries which participated were USA, China, Italy, Poland, Turkey, Spain, Oman, South Korea, Thailand, UAE, Peru, Norway, Indonesia, Canada, Tunisia, Hong Kong, Singapore and Japan. The show was visited by over 40,000 no. of visitors. The fair was widely promoted on social media and an up-dated mobile APP was also launched for better interaction with these business visitors. 5 no. of seminars were organized to support this exhibition.

- **23rd Delhi Book Fair, 2017**

The Company organized the 23rd edition of Delhi Book Fair from 26th August to 3rd September, 2017 in Halls 8-11, Pragati Maidan, New Delhi. The fair was organized in association with the Federation of Indian Publishers.

A theme pavilion depicting "**PADHE BHARAT BADHE BHARAT**" was set-up in Hall-8. During the currency

AAHAR-The International Food & Hospitality Fair 2018.

of the 23rd Delhi Book Fair, Seminars/Workshops/ Author's Corner/ Children's Programmes/ Book Release Functions were organized. Students with Identity Card were allowed free entry to the Fair.

- **19th Stationery/Office Automation Fair and 3rd Corporate Gifts Fair, 2017**

The Company organized the 19th edition of Stationery/ Office Automation Fairs and 3rd edition of Corporate Gifts Fair concurrently with the Delhi Book Fair' 2017 in Hall 12, Pragati Maidan, New Delhi from August 26 to September 3, 2017. Leading companies in stationery, gift items, office automation from all over India participated in the fair. The Fair proved to be a hub for sourcing stationery items, office equipment and corporate gift items etc.

- **India International Security Expo' 2017**

The 20th edition of the India International Security Expo was organised with the support of Ministry of Home Affairs, Government of India at Pragati Maidan, New Delhi from October 5-7, 2017. This is the only security expo in India which enjoys the support of all States Police Forces, BPR&D, Delhi Fire Services and Special Forces such as NSG and NDRF. IISE 2017 was inaugurated by Shri C.R. Chaudhary, Hon'ble Union Minister of State for Commerce and Industry.

Shri Kiran Rijiju, the Hon'ble Minister of State for Home Affairs also visited the show. 16 no. of MSME companies participated in the expo through NSIC. 80% of the companies were new and had displayed the products.

Seminars on "Technological Empowerment of Police for Effective Public Service Delivery", "Easing the process of Public Procurement in Internal Security" and one speaking slot for Exhibitors were also organized. To fulfil the aspirations of the security and safety companies and to take a step ahead towards bringing the nation to the "NEW INDIA", ITPO has decided to further hold the

India International Footwear Fair, Delhi, 2017

21st edition of the IISE from October 5-7, 2018 at Hall No. 12-12A, Pragati Maidan , New Delhi.

- **India International Footwear Fair, Delhi, 2017**

The Company organized the third edition of India International Footwear Fair (IIFF) in Halls 14 and 18, Pragati Maidan, New Delhi from August 4-6, 2017. It was co-sponsored by the Confederation of Indian Footwear Industries (CIFI).

Shri Santosh Gangwar, Hon'ble Minister of State for Finance, Govt. of India inaugurated the fair on 4th August, 2017. IIFF, 2017 covered a net area of 5700 sq.mtrs. There were 240 exhibitors including 100 from overseas (from China, Italy and Taiwan). IIFF maintained its lead position providing a vital platform for buyers and sellers alike in the footwear and related segments. A comprehensive range of products and services relating to the Footwear and allied sector – Synthetic materials, Footwear Components, Machinery & Equipment, Chemicals and Software were on display at the Fair. 10,000 business visitors visited the fair, out of which 68 were overseas business visitors from 16 countries. These visitors were from Bangladesh, China, Colombia, Ethiopia, Kenya, Kuwait, Libya, Nepal, Nigeria, Qatar, Spain, Sri Lanka, Tanzania, Uganda, UK and USA.

- **Aajeevika, Delhi**

Aajeevika was held from March 23 – April 1, 2018. In line with Deen Dayal Antyodaya Yojana, the National Rural Livelihood Mission, ITPO took up the initiative of organising 'Aajeevika' to make its contribution in providing marketing support to rural and small scale craft persons, entrepreneurs and manufacturers for multiple products produced/manufactured by them. The event was organised with the support of Ministry of Rural Development (CAPART) and Ministry of Micro, Small & Medium Enterprise. CAPART organised its

Aajeevika, Delhi 2018

brand event "SARAS" as a part of the AAJEEVIKA Mela and further, MSME & NSIC organised an event comprising of small scale units.

II. FAIRS HELD OUTSIDE DELHI

- **India International Leather Fair (IILF), 2018, Chennai**

The Company organized the 33rd edition of India International Leather Fair (IILF) in Chennai from February 1-3, 2018. The fair was organized in close collaboration with Council for Leather Exports (CLE), Central Leather Research Institute (CLRI), India Shoe Federation (ISF), Indian Finished Leather Manufacturers and Exporters Association (IFLMEA), Footwear Design & Development Institute (FDDI) and Indian Footwear Components Manufacturers Association (IFCOMA).

Shri Suresh Prabhu, Hon'ble Minister of Commerce and industry, Govt. of India inaugurated the Fair on 31st January, 2018. The fair was open to business visitors from February 1-3, 2018.

The 33rd edition of IILF Chennai covered a net area of 9997 sq.mtrs. There were 475 exhibitors including 160 from 23 countries namely from Bangladesh, Bolivia, Brazil, China, Croatia, France, Germany, Italy ,Kenya, Mexico ,New Zealand, Portugal, Russia, Saudi Arabia, Singapore, Spain, Taiwan, Tanzania, Thailand, The Netherlands, Uganda, United Arab Emirates, United Kingdom. Group participation from China, Brazil, Germany, Italy, and International Trade Centre (United Nations) was also a major attraction. 12530 registered business visitors including 400 overseas visitors from 40 countries visited the fair.

- **23rd India International Leather Fair (IILF), 2018, Kolkata**

India International Leather Fair (IILF) is a B2B fair with the aim to promote export of leather goods and finished leather from India especially from West Bengal. The 23rd edition of India International Leather Fair was successfully organized at Biswa Bangla Convention Centre in Kolkata from February 26-28, 2018. IILF was actively supported by Indian Leather Products Association (ILPA), Council for Leather Exports (CLE) and the Govt. of West Bengal. The fair was inaugurated on 26th February, 2018 by Dr. Amit Mitra, the Hon'ble Minister of Finance, Industry, Commerce & Enterprises, and MSME and Textiles, Govt. of West Bengal .

A total number of around 24 overseas buyers visited IILF Kolkata 2018. Almost 1500 domestic visitors from all over India visited the Fair too. Almost 52 leading companies including constituents from various sectors of the leather showcased their exhibits in the fair.

- **Tex-Styles India, Kolkata**

The 2nd edition of Tex Styles India was organized concurrently with IILF, Kolkata during February 26-28, 2018 at Biswa Bangla Convention Centre, Kolkata.

Since the overseas buyers have a combined interest in leather and textiles, the fair has been started as a concurrent event with the IILF, Kolkata.

- **9th East Himalayan Expo, 2017, Shillong, Meghalaya**

9th East Himalayan Expo, 2017 was organized in Shillong, Meghalaya from December 14 – 20, 2017. The fair was co-organised by Ministry of DONER and was actively supported by Govt. of Meghalaya. His Excellency Hon'ble Governor of Meghalaya, Shri Ganga Prasad inaugurated the Fair on 14th December, 2017. The major participants in the expo were Constituents of Ministry of DONER, Ministry of Social Justice & Empowerment, KVIC, NSIC, National Jute Board, Ministry of AYUSH, Commodity Boards, EPCs etc. In the perspective of 'Act East' Policy of Govt. of

East Himalayan Expo, Shillong, Meghalaya 2017

India, ITPO had made this endeavour in Shillong by organizing 9th East Himalayan Expo 2017.

- **Aahar – The International Food & Hospitality Fair, 2017, Mumbai**

To promote its flagship events in regional centres, ITPO organised the maiden Mumbai edition of "AAHAR" at CIDCO Exhibition Centre, Vashi, Navi Mumbai from October 11-14, 2017. The show was organised in a gross area of 5000 sq.mtrs. and had participation from 84 companies including large scale participation of companies from western, southern and central parts of India. The show was organised with the support of the Ministry of Food Processing, the Agricultural and Processed Food Products Export Development Authority (APEDA) and the associates of the Aahar events. The fair was visited by around 2500 trade visitors. Two seminars including one on promoting investment in hospitality sector in the western region and another seminar on ladies in hospitality sector was organised during the show.

III. FAIRS ORGANISED BY THIRD-PARTY ORGANISERS AT PRAGATI MAIDAN, NEW DELHI

A total of 71 third-party events were held in Pragati Maidan during 2017-18. Out of these, 7 were new exhibitions/events, held in Pragati Maidan for the first time.

The popular events organized during the year were Oracle India World (India Chapter), 3rd Smart Cities India 2017 Expo, Plast Asia 2017, Delhi Jewellery and Gem Fair, Korean Expo, India Mobile Congress 2017, ET ACETECH 2017 etc. Rashtriya Awas Diwas 2017 was a unique initiative by ITPO to organize the event as an event manager of National House Development

Organisation, New Delhi. Pragati Maidan also became the hosting venue for the event Korean Expo 2017 organised by Korea Trade centre, Embassy of Republic of Korea wherein household goods, industry materials & machine equipments were displayed during the three day expo. Pragati Maidan also witnessed the event India Mobile Congress, a mega telecom event during the year 2017-18. During BES Expo 2018, around 800 national and international delegates visited the conference at Pragati Maidan. Some Halls were demolished in this period due to which some events got cancelled the scale of their event got reduced. However, in spite of construction/demolition work, ITPO could provide all the services and Pragati Maidan continues to be the preferred destination as exhibition ground for events covering all the sectors of the Exhibition Industry.

6. INITIATIVES AND IMPROVEMENTS TAKEN IN VARIOUS SEGMENTS FOR ALL STAKEHOLDERS

During the year, significant initiatives have been undertaken for improving and augmenting the infrastructure capacity and service delivery of ITPO. These include the following:

❑ **E-Enablement for ease of doing business:**

- Online booking of tickets implemented for IITF and New Delhi World Book Fair.
- Online space booking system in domestic events.
- E-procurement from GEMS/e-tendering introduced.
- Mobile Apps introduced in ITPO's domestic fairs.
- Functioning of E-payment/E-refund.
- Wi-fi facility in all AC halls.
- Use of social media – Facebook, Twitter and YouTube.
- Comprehensive Mobile Apps of ITPO is at final stage.

❑ **Customer Friendly Measures**

- Implementation of 'Help Desk' during third-party events.
- Regular interaction with participants/ organizers.
- Launch of online application system for submission of applications for booking of halls for third-party events.

7. IECC PROJECT

ITPO is implementing its ambitious plan of redevelopment of its landmark exhibition ground Pragati Maidan into a modern state-of-the-art International Exhibition-cum-Convention Centre (IECC) in two phases, bringing it on par with the best Exhibition and Convention Centres across the world. The project is of national importance. The infrastructure is likely to fill critical gaps in requirements for MICE (Meetings, Incentives, Conferences and Events) sector in the NCR. It is expected to substantially increase foreign exchange earnings of the country and revenues of the services & business sector of Delhi, as many events in MICE Sector may shift to New Delhi from East Asian and other countries of the world. The IECC will be a landmark and an iconic spot in Delhi and a unique symbol of the Prime Minister's vision of 'New India' in sync with India aspiring to be a global power. Fulfilling aspirations of expanding business and trade fraternity, IECC will mainly cater to G2G, G2B and B2B activities.

The project proposal includes the development of 3,82,248 sqm of total built up area including a state-of-the-art Convention Centre of an area of 53,399 sq.mtrs., six modern exhibition halls with an area of 1,51,687 sq. mtrs, basement parking for 4800 ECUs (Equivalent car

units) of 1,68,305 sq. mtrs. area and an Administrative Building of 8,857 sq.mtrs. in Phase-I. A site of area 3.70 acres on Bhairon Marg with independent entry and exit points is also being monetized for a hotel as a part of the complex in line with the fact that hospitality, worldwide, is an integral part of any modern MICE destination.

The convention Centre will be a 34 m tall landmark building on par with the best in the world. This structure will be on an elevated podium with a unique sloping facade incorporating the rich architectural heritage of Delhi. The Convention Centre will have a seating facility for 7000 pax in a single format (a Plenary Hall of 3000 pax capacity and a multi-Function hall of 4000 pax), five times that of Vigyan Bhawan, along with 25 meeting rooms of different capacities and comprising G20 and Premium rooms. It will significantly add to the grandeur, stature and profile of the capital city of Delhi. It will also have an amphitheatre of 3,000 seating capacity.

Traffic decongestion interventions vital for better access to IECC and for the benefit of general public are also being taken up. Essentially, Purana Quila Road will be connected to Ring Road through a 6-lane divided tunnel cutting across Pragati Maidan providing an alternative to Bhairon Marg which remains choked beyond capacity. T-junctions of Bhairon Marg with Ring Road and Mathura Road and the entire stretch of Mathura Road from DPS to W-Point will be made single free. All of this would decongest traffic in this area as also will reduce pollution levels.

The project cost for both IECC and traffic decongestion interventions is Rs. 3437 crore. Both the Projects are in a fast track mode and to be completed by the end of September, 2019.

8. TRADE DELEGATIONS

A total of 666 trade visitors visited various Trade Fairs organized by India Trade Promotion Organisation from April 2017 till March 2018 to explore the possibility of collaboration in trade promotion efforts. Major delegations that visited during IITF include - a Thirty-Eight Member delegation (CWEI) from 19 countries that visited Saras and Hall No.18 for multi products; A Thirty-Four Member delegation from Korea that visited different halls and were keen on sourcing jute products, Handicrafts & Handlooms, LED multi products, textiles, Footbath device, Kitchen Equipments; A Twenty Member delegation from Nepal that visited Hall No.18; A Thirty-six Member Delegation from Vietnam that visited in different halls for different products; A Twenty member delegation from Kyrgyzstan sourcing for Food Products, Cosmetics, Textiles, Khadi Products, Readymade Garments etc.

9. COOPERATION WITH OTHER TRADE PROMOTION ORGANISATIONS

ITPO has been actively participating in Asian Trade promotion Forum (ATPF), a gathering of Trade Promotion Organizations (TPOs) since very beginning. All the activities of ATPF are coordinated by Japan External Trade Organisation (JETRO). ITPO also participates in the activities organized by the India Convention Promotion Bureau (ICPB). ITPO has become a Member of UFI – The Global Association of the Exhibition Industry, France, an Organisation for promoting the Exhibition Industry. ITPO also became a member of Indian Exhibition Industry Association (IEAI).

10. TRADE INFORMATION RELATED ACTIVITIES

ITPO provides a package of services to exporters enrolled as members. These services include trade enquiries received from Indian Missions abroad and directly from the overseas importers; and arranging meetings with visiting delegations during Trade Fairs and Exhibitions organized by ITPO. Trade information on countries and products, overseas tenders and trade fairs, exhibitions organized by ITPO in India and overseas and the information on third- party events held at Pragati Maidan are published in the Indian Export Bulletin. With a view to providing reliable trade information to Indian exporters and overseas buyers, the trade portal of ITPO www.tradeportalofindia.org has also been set up which provides information on 102 countries including 27 countries of the European Union. The facilities to ITPO members include access to Kompass data base containing details of manufacturers/ importers/ exporters/ agents/ departmental stores/ distributors /wholesalers / traders in respect of more than 66 countries. Kompass is a 65 year old state-of-the-art B2B platform with global presence connecting 20.6 million companies in over 60 countries, 140 million executive contacts, 20 million email ids & 10 million URLs. It covers over 58,000 products & services in 26 business languages to simplify all the business needs to embrace success.

ITPO's Membership provides access to Global importers, exporters, wholesalers, distributors, manufacturers, agents in the form of a – directory, searchable by product and country (connectivity to KOMPASS) through www.tradeportalofindia.org. It also provides access to import export trade statistics of countries across the globe in respect of all products.

Centralized Data Base: A Central Data Base of participants in the fairs organized by India Trade Promotion organisation in India and abroad is created. The data is extremely useful in mobilizing participation for domestic and foreign fairs organized by ITPO. For ITPO users, the accessibility to data is being made through online.

11. CORPORATE COMMUNICATION

During the year 2017-18, apart from regular liaison with print, electronic and Social Media for corporate image and unpaid coverage of ITPO's events in India and abroad, the Corporate Communication Services Division made efforts to highlight ITPO's iconic project i.e. world class International Exhibition-cum-Convention Centre (IECC) at Pragati Maidan.

Besides, the Division rendered its services in publicity campaigns of various ITPO fairs in India. These include preparation of the media plan, coordination with the empanelled advertisement agencies for timely release of the display and releasing tender advertisements of different divisions in the specified national dailies. A Calendar of Events was also printed listing ITPO's events in India and overseas as well as the exhibitions organized by other agencies at Pragati Maidan.

12. TOWARDS ICT ENABLEMENT

India Trade Promotion Organisation (ITPO), to sustain in its endeavour to be transparent in its dealings, accountable for its activities, faster in its responses and as a part of good governance initiatives, continued and explained utilization of ICT (Information and Communications Technology) for carrying out its functions and achieving the desired results thereby ensuring equitable access to ITPO's services to the public. It also helped in increasing the reach of ITPO both geographically and demographically. A seamless system for online ticket sale and its management and crowd control through authentication of online/offline tickets and passes (complementary passes, exhibitor passes, vendor passes etc.) at entry gates was implemented for India International Trade Fair, 2017. A Web-based application for facilitating prospective event organisers to apply online for booking of exhibition space/halls at Pragati Maidan for third-party events was launched in 2017-18.

A master Mobile App for dissemination of information pertaining to all the major activities of ITPO having

details with respect to domestic fairs, foreign fairs and third-party fairs was launched in 2017-18. The application has a facility for feedback submission and grievance redressal mechanism.

As a part of internal e-governance initiatives, the manual system for (i) submission of Annual Confidential Reports (ACRs) and (ii) Vigilance Clearance System were both transformed to online systems by adoption of SPARROW application of NIC and by implementation of a web-based vigilance clearance application respectively.

13. ADMINISTRATION & HRD

During the year 2017-18, eight officials were appointed through direct recruitment (DR) basis as per the following details.

	SC	ST	OBC	UR	Total
Group 'C'	04	--	04	--	08

During the year, 56 officials were promoted. Of these, 16 were from SC, 1 from ST, and 2 from OBC category. 64 officials were granted personal up-gradation under Incentivized Assured Career Progression Scheme (IACPS). The contract of Ten 'Young Professionals' was extended further for a period of one year.

At the welfare level, a special interest free advance equivalent to 35% of one month basic pay + DA as on 31/03/2017 was disbursed to all eligible employees under the Performance Related Pay (PRP) for the year 2016-2017.

The Voluntary Retirement Scheme (VRS) was re-launched w.e.f. 01/01/2018.

The Pension scheme for employees of ITPO was implemented with effect from 01/01/2018.

The 'International Yoga Day' was celebrated on 21/6/2017, while the 'Constitution Day' was celebrated on 26/11/2017.

Reservation Policy of Government of India:

The Guidelines on reservation policy were complied with within ITPO. Liaison officers have been nominated to look after the interest of SCs/STs & OBCs. In every Departmental Promotion/ Selection Committee meetings, an officer of appropriate level belonging to SC/ST and minority category had been 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 persons were also complied with. Floral tributes were offered on the occasion of the Birthday of Dr. B.R. Ambedkar.

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

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

- Further, ITPO prepares layout plans for all exhibitions organized in Delhi and other Regional Centres. The Layout Plans/drawings are also prepared for ITPO's overseas events. The Layout plans of all Third- Party Exhibitions are reviewed and amendments are made if needed for the ease of visitors and for general safety. Inspections are carried out to ensure compliance of architectural guidelines.

Additions/modifications in the existing infrastructure at Pragati Maidan:-

- The construction of new halls and a Convention Centre under the IECC Project has commenced.
- Construction of office building at three locations (near Hall No. 7D & 7FGH and near Hall No. 12) at Pragati Maidan, New Delhi for ITPO office.

15. TRADE PROMOTION CENTRES

CHENNAI TRADE CENTRE

The Chennai Trade Centre is managed by TNTPO, a Joint venture of ITPO and TIDCO. Chennai Trade Centre was setup in 2001 over an area of 25.48 acres of land in Nandambakkam a prime location in Chennai. Hall 1 & 2 were constructed in 2001 encompassing an area of 6160 square meters. The Convention Centre constructed in 2004 can accommodate 2000 participants with a provision for dividing the hall into two equal parts. Hall 3 measuring 4400 square meter was inaugurated in 2008. All the three Exhibition Halls and Convention Centre are interconnected. All the exhibition halls are air-conditioned and are without pillars or columns.

During 2017-18, 116 exhibitions were held in the Exhibition Halls of Chennai Trade Centre and 100 events took place in the Convention Centre. TNTPO earned a total income of Rs 47.56 crore as compared to Rs 47.49 crore in the previous year. The net surplus is Rs. 31.59 crore after considering 'Other comprehensive Income', as against Rs.31.53 crore(Recast as per Ind-AS) in the previous year.

The Board of TNTPO has approved the construction of a multi-purpose (Exhibition/Convention) hall with an area of 15,708 square meters under expansion plan of TNTPO. After the expansion, there will be a total of 3 halls for conventions and 4 halls for exhibitions in the total area of 31,063 Square meters at an area of 34.61 acres of land. The estimated project cost can be upto Rs. 289 crore.

TRADE CENTRE, BANGALORE

Located at a prime area in Whitefield, Bangalore, it covers an area of 48+ acres. It has an air-conditioned exhibition hall of 5371 sq. mtrs. 11 open exhibition areas have been constructed all around the exhibition hall for display of heavy equipments and machineries and for setting up of Food Courts, Business Centre etc. The Trade Centre is being managed by Karnataka Trade Promotion Organisation (KTPO), a joint venture of ITPO and Karnataka Industrial Area Development Board (KIADB). During 2017-18, 34 events were held in Trade Centre, Bangalore. KTPO earned a total income of Rs 11.28 crore as compared to Rs 7.99 crore in the previous year. The net surplus is Rs. 19.95 crore (previous year Rs. 53.16 crore) mainly on account of compensation received for a portion of the land acquired by Bangalore Metro Rail Corporation from the company.

The Board has approved the construction of a multi-purpose (convention/exhibition) hall with an area of 5000 sq. mtrs. under expansion plan of KTPO. After the expansion, there will be a total of 2 halls for convention and for exhibition with a total area of 11,871 Sq. Mtrs. The estimated project cost can be upto Rs.67.59 crore.

16. PROGRESSIVE USE OF THE OFFICIAL LANGUAGE (HINDI)

To ensure proper implementation of Official Language Policy of Govt. of India in ITPO, an Official Language Committee has been constituted under the Chairmanship of Chairman & Managing Director and its meetings are organized regularly. The instructions received from Parliamentary Committee on Official Language, Department of Official Language, Town Official Language Implementation Committee (Narakash-II)

and Hindi Section of Department of Commerce are duly followed in ITPO. Parliamentary Committee on Official Language has inspected ITPO on 6th July, 2017 under the supervision of TOLIC, Narakash-II.

Hindi workshops are being organized every year to create a conducive atmosphere for executing the official work in Hindi. In addition to the efforts made by ITPO's own Official Language implementation Committee, ITPO was also represented in the meetings of TOLIC (Delhi) and Department of Commerce. The Corporate website of ITPO www.indiatradefair.com has been prepared in bilingual form and is updated regularly.

To encourage the use of Official Language in day-to-day official work, Hindi Noting-drafting, Hindi translation, Hindi Virtani Shodhan and Hindi essay competitions were organized in which Certificates and Cash Prizes were awarded to the winners. In addition, the book (Hindi novel) 'Aap ka Bhavishya Aap ke Hath Me' authored by Dr. A.P.J. Abdul Kalam was given as an incentive to each participant. Likewise, Translation and Noting-drafting Competition was organized in all regional offices of ITPO. To encourage Hindi in routine file work of ITPO, an Incentive Scheme has already been introduced.

ITPO continued to publish its Regular Hindi monthly journal "Udyog Vyapar Patrika". Besides, Business Visitors' Guides, Backgrounder of IITF'2017, mobilization folders of different exhibitions organized at Pragati Maidan, Calendar of events, Annual Report 2016-17, the Memorandum of Understanding between ITPO and the Department of Commerce were brought out in Hindi.

17. SECURITY

ITPO had made necessary security arrangements, fire fighting arrangements and parking arrangements during various fairs, including IITF 2017, and other events organized by ITPO during Financial Year 2017-18. Further, the various security arrangements made by the third-party fair organizers were also monitored during 2017-18.

ITPO conducted a basic fire and warden training on 9th November 2017 for ITPO employees. One fire mock drill was conducted on 20th January, 2018. To provide user friendly and hassle-free facilities, security meetings were arranged with all the third-party organizers. A detailed SOP (Standard Operating Procedure) was prepared in coordination with all Divisions of ITPO as well as with all stakeholders to provide clear access for entry and exit of men, material and vehicle in Pragati Maidan during third party fairs and other major events of ITPO.

18. VIGILANCE

ITPO assists in maintaining transparency and integrity in general administration and functioning of various departments. Besides investigating complaints and conduct of disciplinary proceedings under ITPO Employees' (CDA) Rules, your Company performs inspection of ITPO's regional offices and conducts surprise visits in exhibition complexes and office spaces. An online system to process cases of vigilance clearance for Senior Executives (Senior Manager and above), launched during the Financial Year 2017-18, aims to fast track process of cases of vigilance clearance. Further, in addition to giving vigilance clearance to officials in respect of promotions, foreign deputations, superannuation etc., and scrutinising annual immovable property return, ITPO also files monthly, quarterly, half yearly and annual returns/reports to Department of Commerce, CVC and CBI. A Vigilance Awareness Week is organised annually in ITPO and its regional offices, in order to spread awareness on the values of practicing ethical and transparent business transactions in day-to-day official works and public interface.

19. SUBSIDIARY & ASSOCIATE COMPANIES

The Company holds 51% equity in each of its two Subsidiary Companies viz. Tamil Nadu Trade Promotion Organisation and Karnataka Trade Promotion Organisation. Further, National Centre for Trade Information (NCTI), has been set up jointly by ITPO and National Informatics Centre (NIC), Government of India at Pragati Maidan which is a 50:50 joint venture.

A Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures, pursuant to section 129 of the Companies Act, 2013 forms part of this report (Annexure -I).

20. The extract of Annual Return, as provided under sub section (3) of Section 92 of Companies Act 2013, forms part of this Report (Annexure- II).

21. FIXED DEPOSITS, Loans, Guarantees or Investments

During the year, the Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 and Rules made there under.

22. RELATED PARTIES TRANSACTIONS

There is no related party transaction which is to be reported.

23. AUDITORS

M/s. S P Chopra & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company for the Financial Year 2017-18 by the Comptroller and Auditor General (C&AG), Government of India.

24. STATUTORY AUDITORS' REPORT

The replies of the Board to each of the points raised in the Audit Report would form part of this report. (Annexure-III)

The comments of CAG on the annual accounts of the Company for the year ended 31st March, 2018 would form part of this report. (Annexure-IV & V)

25. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. IFRS audit has been conducted and reported to the Board.

26. CORPORATE GOVERNANCE

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

The Company submitted annual report in Compliance with DPE's Guidelines on Corporate Governance to the Department of Commerce during 2017-18, within the specified timelines and reported an Annual Average Pro-rata Score of 97.85% to qualify for an 'Excellent' Grade. A detailed report is set out and appended which forms part of this report (Annexure- VI&VII)

27. RISK MANAGEMENT

Your Company regularly analyses the risks related to its operations and all steps were taken to manage & mitigate the known risks by insurance & other means.

28. RIGHT TO INFORMATION (RTI)

The RTI Cell operating under the Admin. Division of ITPO is extremely active and ensures that all Applications/ Appeals received under RTI are disposed off on time.

RTI Cell received 86 Applications and followed by 06 Appeals during the period April, 2017 to March, 2018.

29. CODE OF CONDUCT

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

30. CORPORATE SOCIAL RESPONSIBILITY

The thrust of CSR and Sustainability is on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward region, and uplift of marginalized and under-privileged sections of the society.

ITPO has been strictly adhering to the CSR and Sustainability Guidelines issued by Department of Public Enterprises and the applicable Act & Rules of the Companies Act 2013. The CSR initiatives/activities are implemented with the approval /monitoring accordingly. The detailed policy about CSR initiatives of ITPO is available at http://www.indiatradefair.com/csr.php. The complete details of CSR initiatives by ITPO are enclosed at (Annexure- IX).

31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

(A) Conservation of Energy:

The Company's activities do not involve continuous consumption of energy. However, necessary conservation measures, to the maximum extent, have already been implemented like limited use of lights, fans, air conditioners, etc.

(B) Technology Absorption:

The Company has not absorbed any technology from any source. ITPO is in the service sector and, being a trade promotion organisation, the company is taking every necessary step to increase the export activities from the country.

(C) Foreign Exchange Earnings And Outgo

	Current Year (2017-18) (Rs. In crores)	Previous Year (2016-17) (Rs. In crores)
Earnings	12.52	11.44
Outgo	18.94	22.06

33. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(5) of the Companies Act, 2013, the Directors subscribe to the "Directors' Responsibility Statement" and confirm as under:

That, in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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;

I. 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;

II. That, the Directors have prepared the annual accounts on a going concern basis;

III. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;

IV. That, the Directors had devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

34. ACKNOWLEDGEMENTS

We are thankful to the Central Government Ministries and Departments, particularly the Ministry of Commerce and Industry, the Ministry of Urban Development, the Ministry of External Affairs, including the Indian Missions for their continued guidance and assistance. The Directors are also grateful to the Delhi Development Authority, the State Governments, the Public Sector Enterprises, the Central Public Works Department, the Municipal Corporation of Delhi, the Delhi Police, the 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, the Department of Public Enterprises and the Ministry of Corporate Affairs for their valuable co-operation.

For and on behalf of the Board of Directors

Sd/-
(L.C. Goyal)
Chairman and Managing Director
DIN No.02389348

Place: New Delhi
Date: 29.08.2018

Annexure- I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	
1.	Name of the subsidiary as on 31.3.2018	Tamilnadu Trade Promotion Organisation	Karnataka Trade Promotion Organisation
2.	The date since when subsidiary was acquired	17.11.2000	06.12.2000
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
5.	Share capital	Rs.1,00,000/-	Rs.20,00,00,000/-
6.	Reserves & surplus	Rs.2,55,27,97,466/-	Rs.1,12,41,48,392/-
7.	Total assets	Rs.2,65,58,52,918/-	Rs.1,47,72,50,738/-
8.	Total Liabilities	Rs.10,29,55,452/-	Rs.15,31,02,346/-
9.	Investments	-	-
10.	Turnover	Rs.36,86,15,768/-	Rs.4,43,25,775/-
11.	Profit before taxation	Rs.31,53,85,035/-	Rs.19,94,62,582/-
12.	Provision for taxation	NIL	NIL
13.	Profit after taxation	Rs.31,53,85,035/-	Rs.19,94,62,582/-
14.	Proposed Dividend	N.A.(Prohibited to declare dividend as incorporated U/s 8 of the Companies Act,2013	N.A.(Prohibited to declare dividend as incorporated U/s 8 of the Companies Act,2013
15	Extent of shareholding (%)	51%	51%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations

2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Name of associates/Joint Ventures	Name 1	Name2	Name3
1. Latest audited Balance Sheet Date:31 March,2018	National Centre for Trade Information		
2. Date on which the Associate or Joint Venture was associated or acquired	31.03.1995		
3. Shares of Associate/Joint Ventures held by the company on the year end			
No.	2,00,000		
Amount of Investment in Associates/Joint Venture	Rs.2,00,00,000/-		
Extend of Holding%	50%		
4. Description of how there is significant influence	There is significant influence due to 50% share capital held by ITPO		
5. Reason why the associate/joint venture is not consolidated	Ind AS-28		
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.1,81,51,157/-		
7. Profit/Loss for the year			
I. Considered in Consolidation	NIL		
II. Not Considered in Consolidation	Rs.13,52,943/-		

Sd/-	Sd/-	Sd/-
(S.R. Sahoo)	(D.M. Sharma)	(L.C. Goyal)
Company Secretary	Chief Financial Officer	Chairman & Managing Director

Annexure-II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U74899DL1976NPL008453
ii)	Registration Date	30/12/1976
iii)	Name of the Company	INDIA TRADE PROMOTION ORGANISATION
iv)	Category / Sub-Category of the Company	Mini- Ratna Category-1
v)	Address of the Registered office and contact details	Pragati Bhawan, Pragati Maidan,New Delhi-110001 Tel. : 91-11-23371540 (EPABX) Fax : 91-11-23371492, 23371493 email : info@itpo.gov.in
vi)	Whether listed company	~~Yes~~ / No
vii)	Name, Address and Contact	
	details of Registrar and Transfer Agent, if any	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. NO.	Name and Description of main products/ services	NIC Code of the Product/ services	% to Total turnover of the company
1	Organising Fairs/ Exhibitions for promotion of India's trade	-	100%
2	-	-	-
3	-	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Tamilnadu Trade Promotion Organisation CTC Complex Nandambakkam Chennai 600089	U91120TN2000NPL046140	SUBSIDIARY	51%	Sec.25 now Sec.8
2	Karnataka Trade Promotion Organisation Plot No.121,Road No.5,EPIP,2nd Phase, Whitefield Industrial Area, Bengaluru - 560066	U92490KA2000NPL028238	SUBSIDIARY	51%	Sec.25 now Sec.8
3	National Centre For Trade Information Hall # 19, Pragati Maidan, New Delhi - 110001	U74899DL1995NPL067008	ASSOCIATE	50%	Sec.25 now Sec.8

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) CATEGORY-WISE SHARE HOLDING

Category of shareholders	No. of shares held at the beginning of the year	No. of shares held at the end of the year	% Change during the year
A. Promoters (1) Indian	-	-	-
(a) Individual/ HUF	-	-	-
(b) Central Govt • President of India (24998) • CommerceSecretary, DOC(1) • CMD,ITPO (1)	25000/-	25000/-	0%
(a) State Govt(s)	-	-	-
(b) Bodies Corp.	-	-	-
(c) Banks/FI	-	-	-
(d) Any Other	-	-	-
Sub-total (A)(1):-	25000/-	25000/-	0%

(2) Foreign	-	-	-
(a) NRIs - Individuals	-	-	-
(b) Other - Individuals	-	-	-
(c) Bodies Corp	-	-	-
(d) Banks / FI	-	-	-
(e) Any Other….	-	-	-
Sub-total (A) (2):-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	25000/-	25000/-	0%
B. Public Shareholding **1. Institutions**	-	-	-
(a) Mutual Funds	-	-	-
(b) Banks/FI	-	-	-
(c) Central Govt	-	-	-
(d) State Govt(s)	-	-	-
(e) Venture Capital Funds	-	-	-
(f) Venture Capital Funds	-	-	-
(g) Insurance Companies	-	-	-
(h) FIIs	-	-	-
(i) Foreign Venture Capital Funds	-	-	-
(j) Others (specify)	-	-	-
Sub-total (B)(1):-	-	-	-
2. Non Institutions a) Bodies Corp.	-	-	-
i) Indian	-	-	-
ii) Overseas	-	-	-
(b) Individuals	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-
(c) Others (specify)	-	-	-
Sub-total (B)(2):-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-
Grand total (A+B+C)	25000/-	25000/-	0%

(II) SHAREHOLDING OF PROMOTERS

SL. NO.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of shares pledged /encumberred to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumberred to total shares	% change in share holding during the year
1	President of India	24998	99.98%	NO	24998	99.98%	NO	0%
2	Commerce Secretary, DOC	1	0.01%	NO	1	0.01%	NO	0%
3	CMD,ITPO	1	0.01%	NO	1	0.01%	NO	0%
	Total	25000	100%	NO	25000	100%	NO	0%

(III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

SL. NO.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NA	-	NA	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat	-	-	-	-
	At the End of the year	NA	-	NA	-

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SL. NO.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
	For Each of the Top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	NA	-	NA	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	NA	-	NA	-

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	CMD, ITPO (1)	.01%	CMD,ITPO (1)	.01%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	-	NIL	-
	At the End of the year	CMD,ITPO (1)	.01%	CMD,ITPO (1)	.01%

V. INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (i) Principal Amount	NIL	NIL	-	NIL
(ii) Interest due but not Paid	-	-	-	-
(iii) Interest accrued but not due	NA	-	-	NA
Total (I + ii+ iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I + ii+ iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		CMD	ED	-	-	
1.	**Gross salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income- tax Act, 1961	23,81,290/-	21,36,599/-			45,17,889/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,41,954/-	-			3,41,954/-

	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission -as % of profit -others, specify…..	-	-	-	-	-
5	Others, please specify…..	25,66,680/ (Accommodation payment)				25,66,680/
	Total (A)	52,89,924/-	21,36,599/-			74,26,523/-
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	**Independent Directors** ● Fee for attending board committee meetings	Shri P.N. Vijay Rs. 20,000/- per meeting	Rs. 2,20,000/-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	Rs. 2,20,000/-	Rs. 2,20,000/-
2.	**Other Non-Executive Directors** ● Fee for attending board committee meetings	NIL	NIL
	Commission	-	-
	Others, please specify	-	-
	Total (2)	NIL	NIL
	Total (B)=(1+2)	Rs. 2,20,000/-	Rs. 2,20,000/-
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	16,43,060/-	22,57,572/-	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	3,41,071/-	2,50,947/-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	**19,84,131/-**	**25,08,519/-**	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure-III

Independent Auditor's Report

TO THE MEMBERS OF "INDIA TRADE PROMOTION ORGANISATION", NEW DELHI ON STANDALONE IND AS FINANCIAL STATEMENT

Report on the standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **'India Trade Promotion Organization'** (the "Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Income and Expenditure (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Management Replies

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS 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 financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including Ind AS, of the state of affairs of the Company

as at 31st March, 2018, its surplus (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

1. Non-carrying out of the physical verification of property, plant & equipment which was due in the year 2017-18 as per the policy of the Company. (Refer Note 3.6 of the standalone Ind AS financial statements).	Factual Statement. The physical verification of Property Plant and Equipment (PPE) at Head Office–Pragati Maidan could not be carried out during the year due to demolition/ handing-over of a number of halls/ structures, including the office building, for the IECC Project. This involved shifting/relocation of large number of items of furniture & fixtures, office equipments etc to the Stores and new office buildings.
2. Non-confirmation/ reconciliation of certain balances under trade receivables, loans and advances, trade payables and other parties of the Company. (Refer Note 31.6 of the standalone Ind AS financial statements).	The physical verification of PPE will be carried out in the year 2018-19.
Our opinion is not modified in respect of the above matters.	Factual Statement. Note No 31.6 of financial statements refers.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable to the Company in terms of paragraph 1 sub-para 2(iii) of Companies (Auditors Report's Report) Order, 2016, as the Company is registered under section 8 of the Companies Act, 2013.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us by the management, in the Annexure 'A', on the directions and sub-directions issued by Comptroller and Auditor general of India.
3. As required by Section 143(3) of the Act, we report that:
   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the Balance Sheet, the Statement of Income and Expenditure (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013;

e) the matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

f) being a Government Company, pursuant to notification no. GSR 463 (E) dated 5th June, 2015 of the Government of India, provision of sub section (2) of section 164 of the Companies Act, 2013 is not applicable to the Company;

g) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-‘B’; and

h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31.1 to the standalone Ind AS financial statements;

ii) The Company has not entered into any long-term contracts including derivative contracts.

iii) Being section 8 Company, the clause relating to transfer of amounts to the Investor Education and Protection Fund by the Company is not applicable.

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 99143

Place : New Delhi
Date : 29th August, 2018

ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under `Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date on the standalone Ind AS financial statements of India Trade Promotions Organization for the year ended 31st March, 2018)

Directions and Sub-Directions issued by the Comptroller & Auditor General of India under section 143 (5) of the Companies Act, 2013 in respect of annual accounts of India Trade Promotion Organization for the year 2017-18.

Sr. No.	Directions/ Sub Directions	Auditors Responses	Action taken thereon by management	Impact on Financial Statements
A	**Directions**			
1	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of Freehold and leasehold land for which title/ lease deeds are not available.	According to the information and explanations given to us, no freehold land is in the possession of the Company as at 31.03.2018. However, the Company has 2 Land on perpetual lease and lease deeds have been entered into for both the Land. The Pragati Maidan Complex is carried in the books at Re 1/- while the Land at Gazipur at Rs. 78.76 lakhs and these have been disclosed in note 3 on Property, Plant & Equipment of the financial statements as at 31.03.2018. Further, reference is also invited to Note 31.2, wherein it has been stated that 7.2623 acres of Land out of 123.51 acres Land leased to the Company by Land and Development Office (L&DO) at Pragati Maidan is in occupation of two government departments i.e. Crafts Museum and National Science Centre without entering into lease agreement and cumulative lease rent of Rs. 9,982.57 lakhs is not being paid and contested by them.	Matter is being pursued with the respective departments.	Rent of Rs. 9,982.57 lakhs has not been accounted till 31.03.2018 for the reasons as disclosed in Note 31.2 to the financial statements as at 31.03.2018

Sr. No.	Directions/ Sub Directions	Auditors Responses	Action taken thereon by management	Impact on Financial Statements
2	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. If yes, the reasons thereof and amount involved.	The Company during the year has written off certain old balances of Loans & Advances of Rs. 1.62 lakhs which in the opinion of the management were not recoverable.	No action is required	Already accounted
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift from the Govenrment or other authorities?	According to information and explanations given to us, neither inventory is lying with third parties as at 31.03.2018 nor assets were received during the year as gift from the Government or other authorities.	No action is required	No impact
B	Sub-Directions			
	NONE			

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 99143

Place : New Delhi
Date : 29th August, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 3(g) under `Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date on the standalone Ind AS financial statements of India Trade Promotion Organization for the year ended 31st March, 2018)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **'India Trade Promotion Organization**' ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 99143

Place : New Delhi
Date : 29th August, 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF "INDIA TRADE PROMOTION ORGANISATION" (ITPO), NEW DELHI
ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

Report on the consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **'India Trade Promotion Organisation**' (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred as the "Group") and jointly controlled entity which comprise the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Income and Expenditure (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated Changes in Equity and consolidated cash flows of the Group and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 prescribed under Section 133 of the Companies Act, 2013.

The respective Board of Directors of the Companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and Jointly Controlled Entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

1. Subsidiary Company - TNTPO

i) IND AS transition differences with respect to reinstatement of carrying cost of Property, Plant and Equipment (PPE) were not recorded in the books of accounts maintained for first Ind AS reporting period i.e. financial year 2016-17 though it was considered for preparation of Ind AS Financial statements for that year. Resultantly, there were differences in the balances of gross value of property, plant & equipment and accumulated depreciation of property, plant & equipment as on 31.03.2018 between books of accounts and financial statements for the current financial year 2017-18. Difference in total gross value of all Property, Plant and Equipment (PPE) items as on 31.03.2018 was Rs. 2845.80 lakhs.

Balances of Property, Plant & Equipment and depreciation as per subsidiary registers and general ledger (Tally) system remain to be reconciled and impact of differences if any, remain to be effected appropriately in Statement of Income and Expenditure and Balance Sheet.

Estimated life of building constructed on leasehold land cannot be greater than lease validity period of 30 years for the purpose of booking depreciation. Hence, related Ind AS requirements are not complied.

Rectification entries for errors in accounting for property, plant & equipment sold/ disposed in previous financial years 2014-15 and 2015-16 were made in the books of accounts of current financial year. Correctness of such rectifications were not ascertainable in absence of appropriate approvals and supporting vouchers. In addition, Ind AS implications on such adjustments pertaining to previous years were not effected in the books of accounts.

In view of above reasons, correctness of depreciation provided for current year is not ascertainable, in addition to above remarks.

ii) Revenue from operations data, balances in trade receivables, balance of advances from customers, amount refundable to customers, advances to be adjusted against future events, forfeiture adjustments, GST adjustments on these advances and related data remain to be reconciled between subsidiary records i.e. reports from billing software and general ledger in Tally system. On completion of reconciliation, adjustments, if any required, remain to be effected appropriately in Statement of Income and Expenditure and Balance Sheet.

iii) Differences between information as per statutory returns with respect to Service Tax and Goods and Services Tax returns filed and the books of accounts (billing software and general ledger system) maintained remained to be reconciled and the impact whereof in Statement of Income and Expenditure and Balance Sheet remain to be adjusted.

iv) Trade Payables include provision for certain expenses such as manpower charges for security and housekeeping, telephone, water charges, audit fees, etc. amounting to Rs. 38.40 lakhs which has been incorrectly presented in the financial statements under "Trade Payables" (Current Liability) instead of under "Provisions" (Current liability).

v) Other Financial Liability includes provision for certain expenses such as admin. manpower charges, electricity expenses, operation and maintenance manpower, etc. amounting to Rs. 18.96 lakhs which have been incorrectly presented in the financial statements under "Other Financial Liability" (Current Liability) instead of under "Provisions" (Current Liability)

Quantification cannot be made in respect of qualifications provided at paras (i) to (iii) above.

2. **Subsidiary Company - KTPO**

Non Provision of Income Tax for financial years 2008-09 and 2012-13 to 2017-18

Reference is made to note no. 33.4(iii) of the consolidated financial statements on the issue of Income Tax Liability. KTPO has been filing Income Tax returns declaring income as Nil from its incorporation claiming exemption u/s 11 of the Income Tax Act, 1961. However, the assessing authorities have rejected this claim of exemption from the financial year 2008-09 onwards primarily on the ground that section 2(15) of the Income Tax Act has been amended by the Finance Act 2008, by adding the proviso which states that “advancement of any other object of general public utility, shall not be charitable purpose, if it involves the carrying on of (a) any activity in the nature of trade, commence or business (b) Any activity of rendering service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention of the income from such activity”. Accordingly, the I.T department has assessed the Tax payable by the company from the assessment year 2009-10 (financial year 2008-09) as per details given below:

Assessment Year	Demands raised (Rs. in lakhs)	TDS refund claimed by the company (Rs. in lakhs)	Current Position
2009-10	Assessment pending	7.16	Assessment pending
2010-11	Nil	8.35	Appeal filed against Assessment allowed. Department’s appeal in Appellate Tribunal pending
2011-12	58.31	31.38	Appeal filed against Assessment allowed. Department’s appeal in Appellate Tribunal pending
2012-13	110.47	48.80	Appeal filed against Assessment allowed. Department’s appeal in Appellate Tribunal pending
2013-14	238.80	70.50	Appeal filed with Commissioner of Income Tax (Appeals) and pending
2014-15	158.75	83.57	Appeal filed with Commissioner of Income Tax (Appeals) and pending
2015-16	Pending	95.06	Assessment pending
2016-17	Pending	69.99	Assessment pending
2017-18	Pending	579.24	Assessment pending
2018-19	Pending	224.98	Assessment pending

KTPO had received notice on 26.02.2013 from the Additional Commissioner of Income Tax (Tech)- I proposing to cancel the original approval granted u/s 10(23c) (iv) of the Act for assessment years 2003-04 to 2008-09 with effect from 01.04.2009 i.e. from the date of amendment to section 2(15). KTPO had filed written submissions for reconsideration of the notice and no further communication has been received by KTPO in this regard.

KTPO had also received show cause notice for cancellation of registration under section 12AA (3) of Income Tax Act, 1961. In response, KTPO had made representation to Department of Income Tax to drop the case as the said issue should have to be dealt only at the time of assessment. Decision in this regard is still awaited.

KTPO has not made any provision towards income tax liability in the standalone financial statements. It has also shown in the said statements an amount of Rs. 1232.35 lakhs as TDS refundable by the department. However, the department has adjusted/ retained this amount against its demands. Considering the above facts and the amended provisions of section 2(15) of the Income Tax Act, KTPO should have provided for the tax for the F.Y 2008-09 & 2012-13 to 2017-18. The provision required against demand raised by the department for the F.Y 2012-13 and 2013-14 is indicated in the table shown above. For other financial years, we are unable to quantify the amount of provision in absence of required information/ details.

3. Jointly controlled entity - NCTI

We draw attention that winding up of NCTI was discussed at the board meeting and it has been decided that the winding up formalities may be initiated soon, whereby we are unable to express our opinion on its ability to continue as a going concern.

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 matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2018, their consolidated excess of income over expenditure (including other comprehensive income), their changes in equity and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

1. Holding Company

a) Non-carrying out of physical verification of property, plant & equipment which was due in the year 2017-18 as per the policy of the Holding Company. (Refer Note 3.6 of the consolidated Ind AS financial statements).

b) Non-confirmation/ reconciliation of certain balances under trade receivables, loans and advances, trade payables and other parties of the Holding Company. (Refer Note 33.6 of the consolidated Ind AS financial statements).

2. Subsidiary Company – TNTPO

a) Balance as at 31st March, 2018 under capital grant fund for expansion project was Rs. 1015.90 lakhs. This fund comprises of Rs. 1000 lakhs received on 18.12.2017 from Central Government under TIES and the sum of Rs. 15.90 lakhs being interest accrued thereon for the period upto 31st March 2018. These funds are not kept under separate bank account earmarked for utilization for capital expansion project (Refer Note 33.8 of the consolidated financial statements).

b) Pending decision on withdrawal of exemption under section 11(15) or section 10(23c)(iv) of Income Tax Act, 1961, no provision for income tax and deferred tax have been made by TNTPO. (Refer Note 33.4(ii) of the consolidated financial statements)

c) Temporary advance balances (Loans – Current Assets) of Rs. 8.65 lakhs being related to old years and pending for more than 24 months remain to be reconciled/ recovered/ adjusted.

d) Miniscule staff strength of TNTPO is affecting the Internal Financial Control system and its operating effectiveness.

e) Deficiencies in Internal Control

- Financial Powers and Accountability - Existing document delegating financial powers is silent about powers and responsibilities of Manager (Accounts), Deputy Manager (Accounts) and other functionaries from outsourced manpower service providers who perform various stages of financial transactions.
- Document clearly defining roles and responsibilities of employees and outsourced manpower functionaries is not established. Hence, there is a difficulty in affixing accountability to safeguard the assets of the organization.
- Authorization and approval of transactions – Controls to ensure that only authorized transactions are entered in Tally financial accounting system are not established. Further, mechanism for post-facto approval of transactions is not established.

In the case of certain bills wherein invoice/ claim bills were not approved on or before the balance sheet date i.e. as on 31.03.2018, liability entries were passed in the books of accounts on 31.03.2017 and 31.03.2018. However, certain claim bills are not yet approved by any of the functionaries/ officials of auditee organisation till 21.08.2018.

Details of few such bills relating to Updater Services Private Limited are provided below:

Sr. No.	Bill no./ Date	Amount in Rs.	JV. No.	Period	Nature
1	90402949/ 10.01.2017	3,20,007	970/ 31.03.2017	April-16 to Dec-16	Salary Arrears
2	90402915/ 10.01.2017	1,80,698	969/ 31.03.2017	April-16 to Dec-16	OT Arrears
3	1733009975/ 12.01.2018	1,75,475	1121/ 31.03.2018	April-17 to Nov-17	OT Arrears
4	1733008857/ 31.12.2017	2,85,725	1119/ 31.03.2018	April-17 to Nov-17	Salary Arrears
5	1733013649/ 24.03.2018	1,68,143	1115/ 31.03.2018	April-16 to Dec-16	Holiday wages
	Total	**11,30,048**			

- Logical Access Controls in application program - level (Billing software and Tally financial accounting system) are not established for handling transaction entry, transaction processing, generation of reports, maintaining accuracy of the financial and related operational data.
- Separate user credentials were not created for every employee/ outsourced functionary and hence accountability cannot be fixed.
- Controls to reconcile between various departments and accounts department to ensure accuracy of transactions and balances are not established.
- Controls in respect of annual closure of books to ensure accuracy and completeness of closing entries are not established.

- Controls are not established to prevent back-dated entries/ subsequent modification or deletion of entries in Tally financial accounting system. Tally financial accounting system should have audit trails/ logs to track/ identify such instances. Audit trails/ logs are essential to identify the person effecting the back-dated transaction/ modification with date and time of entry so that accountability can be assigned.

3. **Joint controlled entity - NCTI**

   a) Balances are subject to confirmation and reconciliation as under:

      1. Share application money pending allotment of Rs. 57.86 lakhs (Refer Note 30 of standalone Ind AS financial statements)

      2. NCTI has contravened the provisions of The Companies (Acceptance of Deposit) Rules, 2014 in relation to the share application money of Rs. 57.86 lakhs by not refunding the money as provided therein.

      3. Credit and Debit balances of various parties. (Refer Note 33 of standalone Ind AS financial statements).

      4. Rs. 5 lakhs from ITPO and Rs. 5.35 lakhs from NIC towards share capital of NCTI shown under “other Current Liabilities” (Refer Note 27 of standalone Ind AS financial statements).

      5. TDS recoverable of Rs. 41.38 lakhs shown under “Other Current Assets” is subject to reconciliation.

   b) Provision for doubtful debts/ advances is not made in respect of dues outstanding for more than three financial years for following:

      1. Ministry of Commerce & Industry of Rs. 0.07 lakh.

      2. ITPO-Projects of Rs. 13.25 lakhs.

Our opinion is not modified in respect of the above matters.

Other Matters

We did not audit the Ind AS financial statements of subsidiary companies, namely Tamilnadu Trade Promotion Organisation and Karnataka Trade Promotion Organisation and jointly controlled entity namely National Centre for Trade Information, whose Ind AS financial statements reflect total assets of Rs. 41331.04 lakhs as at 31st March, 2018, total revenues of Rs. 5883.66 lakhs, total comprehensive income of Rs. 4.83 lakhs and net cash out flows of Rs. 1002.82 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The Ind AS financial statements of subsidiary companies, namely Tamilnadu Trade Promotion Organisation and Karnataka Trade Promotion Organisation and jointly controlled entity namely National Centre for Trade Information, have been audited by other auditors whose report have been furnished to us by the Holding Company’s management and our opinion on the consolidated Ind AS financial statements, in so far it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub section (3) and (11) of Section 143, in so far it relates to these subsidiaries and jointly controlled entity is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

c) the consolidated Balance Sheet, the consolidated Statement of Income and Expenditure (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013.

e) the matters described in Basis for Qualified Opinion and Emphasis of Matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the Group and jointly controlled entity;

f) being a government Company, pursuant to notification no. GSR 463 (E) dated 5th June, 2015 of the Government of India, provision of sub section (2) of section 164 of the Companies Act, 2013 is not applicable to the Group and jointly controlled entity.

g) with respect to the adequacy of the internal financial controls with reference to financial statements and operating effectiveness of such controls of the Holding Company audited by us, and of the subsidiary companies and jointly controlled entity not audited by us (as reported by other auditors), refer to our separate report in Annexure 'A'; and

h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Consolidated Ind AS financial statements disclose the impact of pending litigations on the financial position of the Group and jointly controlled entity – Refer Note 33.1(a) to the consolidated Ind AS financial statements;

   ii) The Group and jointly controlled entity have not entered into any long-term contracts including derivative contracts.

   iii) Being section 8 Companies, the clause relating to transfer of amounts to the Investor Education and Protection Fund by Group and jointly controlled entity is not applicable.

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 99143

Place : New Delhi
Date : 29th August, 2018

ANNEXURE ‘A’ TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph (g) under ‘Report on Other Legal and Regulatory Requirements’ section of the Independent Auditor’s Report of even date on the consolidated Ind AS financial statements of India Trade Promotion Organisation for the year ended 31st March, 2018)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **India Trade Promotion Organisation** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred as “the Group”) and jointly controlled entity for the year ended 31st March, 2018, in conjunction with our audit of the consolidated Ind AS financial statements of the Group and jointly controlled entity for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and jointly controlled entity are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the “Guidance Note on Audit of Internal Financial Controls Over Financial Reporting” (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Group's and jointly controlled entity’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

According to the information and explanations given to us and based on the audit of Subsidiary Company – KTPO by other auditor, following weaknesses have been identified as at March 31, 2018:

1. Miniscule Staff strength of KTPO is affecting the Internal Financial Control System and its operating effectiveness.
2. The internal control system for complying with applicable provisions of various statutes is inadequate which could result in payment of additional levies and damages.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the KTPO's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualification Opinion paragraph above, to the best of our information and according to the explanations given to us, the Group and jointly controlled

entity have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the Subsidiary Company – KTPO and Joint Venture, is based on the corresponding report of the auditor of the said Companies. Further, the said report as per the report of auditor of TNTPO, Subsidiary Company is exempt as per notification GSR 464(E) dated 5th June, 2015 as amended by notification no. GSR 583(E) dated 13th June, 2017.

Our opinion is not modified in respect of above matter.

For S.P. Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 99143

Place : New Delhi
Date : 29th August, 2018

Annexure-IV

COMMENTS OF THE CAG OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIA TRADE PROMOTION ORGANISATION FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of INDIA TRADE PROMOTION ORGANISATION for the year ended 31 March'2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary of the financial statements of INDIA TRADE PROMOTION ORGANISATION for the year ended 31 March 2018 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6) (b) of the Act.

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

Sd/-
(Nandana Munshi)
Director General
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I,
New Delhi.

Place: New Delhi
Dated: 28 September 2018

Annexure-V

COMMENTS OF THE CAG OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIA TRADE PROMOTION ORGANISATION FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of consolidated financial statements of INDIA TRADE PROMOTION ORGANISATION for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of INDIA TRADE PROMOTION ORGANISATION for the year ended 31 March 2018 under Section 143(6) (a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of INDIA TRADE PROMOTION ORGANISATION, its subsidiary KARNATAKA TRADE PROMOTION ORGANISATION and its joint venture company NATIONAL CENTRE FOR TRADE INFORMATION but did not conduct supplementary audit of the financial statements of its subsidiary TAMILNADU TRADE PROMOTION ORGANISATION for the year ended 31 March 2018. The supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6) (b) of the Act.

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

Sd/-
(Nandana Munshi)
Director General
Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I,
New Delhi.

Place: New Delhi
Dated: 28 September 2018

Annexure- VI

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.

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

The main activities and services of ITPO are:

- To promote, organize and participate in industrial trade through fairs and exhibitions in India and abroad and to take all measures incidental thereto for boosting up country's tradei
- To publicize in India and abroad international trade fairs and exhibitions to be held in India and to mobilize the foreign participants to participate in them.i
- To organize trade in commodities connected with or relating to such fairs, exhibitions in India and abroad.i
- 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.i
- To support and assist small and medium enterprise to access markets – both in India and abroad.i
- To prepare and update trade related database for dissemination among trade and industry in India.i
- Organizing seminars, conferences and workshops on trade related issues.i
- To lease out its exhibition halls and facilities to other organizers for holding trade related events.i

The compliance of the company on Corporate Governance and the disclosure requirements under Companies Act are given below:

2. BOARD OF DIRECTORS

2.1 Size of the Board

ITPO is a Section 25 (now section-8) Company as per the Companies Act, 1956 and the President of India presently holds 100% 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

The Board comprised of 7 Directors, out of which 2 were Functional Directors including the Chairman and Managing Director, 4 were Nominee Directors of Government of India and 1 was Independent Director.

Shri L.C.Goyal had taken over the charge of Chairman and Managing Director of ITPO w.e.f. 2nd September, 2015.

2.3 Board Meeting and Attendance

The meetings of the Board of Directors are normally held at the Registered Office of the Company. The 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. The Senior Management is also invited to the Board meetings to provide additional input to the items being discussed by the Board, as and when required.

During the financial year ended 31st March, 2018, the Board Meetings were held on 29th August, 2017, 05th January, 2018 and 27th March, 2018.

The details of number of Board Meetings attended by Directors, attendance at last Annual General Meeting (AGM), number of other Directorships in Body Corporates (other than ITPO) held by Directors during the financial year 2017-18 are tabled below:

Sl. No.	Name of Director	Board Meetings		Attendance at last AGM held on (29th September 2017)	As on March 31, 2018 (No. of other Director-ship
		Held during the tenure	Attendance		
1.	Shri L.C. Goyal	3	3	Yes	2 (KTPO, TNTPO)
2.	Shri Rajneesh	0	0	No	4 (KTPO, TNTPO, WBTPO, NCTI)
3.	Shri Deepak Kumar	3	3	Yes	4 (KTPO, TNTPO, WBTPO, NCTI)
4.	Shri J.K. Dadoo	1	1	No	6 (MMTC, STC, NTC, NJMC, CCI, NIFT)
5.	Dr. Subhash Chandra Pandey	1	0	No	7 (MMTC, STC, NTC, HMT Ltd, BHEL, Invest India, India International Convention and Exhibition Centre Ltd)
6.	Shri Sanjay Chadha	3	1	No	-
7.	Shri Manoj Joshi	0	0	No	2 (NSIC, DSIIDC)
8.	Smt. Alka Nangia Arora	3	2	No	2 (NSIC, DSIIDC)

9.	Shri K. Nagaraj Naidu	1	0	No	5 (EEPC, IIFT, GITA, Invest India, WAPCOS)
10	Shri Vinod K. Jacob	2	1	No	2 (WAPCOS, Invest India)
11.	Shri P.N. Vijay	3	3	No	5 (Dabur India Ltd, ILFA, MSL, H & B Stores Ltd, Rainbow Digital Services Pvt. Ltd.)

2.4 INFORMATION REQUIRED TO BE PLACED BEFORE THE BOARD OF DIRECTORS:

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

1. Annual operating plans, budgets and any updates.
2. Annual Accounts, Directors' Report, etc.
3. Minutes of meetings of audit committee and other committees of the Board.
4. Major Investments, information of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
5. Award of large Contracts.
6. Disclosure of Interest by Directors about directorship and committee positions occupied by them in other Companies.
7. Report on the status of various ongoing projects/Schemes and Budget Utilization.
8. Any significant development in Human Resources/ Industrial Relations 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 including the requirements of Companies Act.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following Committees:

i) Audit Committee

ii) Remuneration Committee

iii) CSR Committee.

3.1 Composition of Audit Committee, Meetings held and Attendance of Audit Committee during the year 2017-18

The Company has complied with the Corporate Governance guidelines and accordingly, three Audit Committee Meetings were held on 29th August, 2017, 05th January, 2018 and 27th March, 2018 respectively.

Sl No.	Name of Committee Members	Designation	Position in Committee	Meetings	
				Held during the tenure	Attendance
1.	Shri P.N. Vijay	Independent Director	Chairman	3	3
2.	Shri J.K. Dadoo	Part Time official Director	Member	1	1
3.	Dr. Subhash Chandra Pandey	Part Time official Director	Member	1	0
4.	Shri Sanjay Chadha	Part Time official Director	Member	3	0
5.	Shri Manoj Joshi	Part Time official Director	Member	0	0
6.	Smt. Alka Nangia Arora	Part Time official Director	Member	3	2
7	Shri Rajneesh	Functional Director	Member	0	0
8	Shri Deepak Kumar	Functional Director	Member	3	3
9	Shri K. Nagaraj Naidu	Part Time official Director	Member	1	0
10.	Shri Vinod K. Jacob	Part Time official Director	Member	1	0

3.2 COMPOSITION OF REMUNERATION COMMITTEE, MEETINGS HELD AND ATTENDANCE IN REMUNERATION COMMITTEE DURING THE YEAR 2017-2018

During the Year 2017-18, three Remuneration Committee Meetings were held on 29th August, 2017, 05th January, 2018 and 27th March, 2018 respectively.

Sl No .	Name of Remuneration Committee Members	Designation	Position in Remuneration Committee	Meetings	
				Held during the tenure	Attendance
1.	Shri P.N. Vijay	Independent Director	Chairman	3	3
2.	Shri J.K. Dadoo	Part Time official Director	Member	1	1
3.	Dr. Subhash Chandra Pandey	Part Time official Director	Member	1	0
4.	Shri Sanjay Chadha	Part Time official Director	Member	3	0

5.	Shri Manoj Joshi	Part Time official Director	Member	0	0
6.	Smt. Alka Nangia Arora	Part Time official Director	Member	3	0
7	Shri Rajneesh	Functional Director	Member	0	0
8	Shri Deepak Kumar	Functional Director	Member	3	3
9	Shri K. Nagaraj Naidu	Part Time official Director	Member	1	0
10.	Shri Vinod K. Jacob	Part Time official Director	Member	1	0

3.3 COMPOSITION OF CSR COMMITTEE, MEETINGS HELD AND ATTENDANCE IN CSR COMMITTEE DURING THE YEAR 2017-2018.

The Company has complied with the Guidelines issued by the Department of Public Enterprises/Companies Act,2013.

Sl No.	Name of CSR Committee Members	Designation	Position in CSR Committee	Meetings	
				Held during the tenure	Attendance
1.	Shri J.K. Dadoo	Part Time official Director	Chairman	1	1
2.	Dr. Subhash Chandra Pandey	Part Time official Director	Chairman	0	0
3.	Shri Sanjay Chadha	Part Time official Director	Member	2	1
4.	Shri Manoj Joshi	Part Time official Director	Member	0	0
5.	Smt. Alka Nangia Arora	Part Time official Director	Member	2	0
6.	Shri P.N. Vijay	Independent Director	Member	2	2
7.	Shri Rajneesh	Functional Director	Member	0	0
8.	Shri Deepak Kumar	Functional Director	Member	2	2

During the Year 2017-18, 2 meetings of the CSR Committee were held.

4. REMUNERATION OF DIRECTORS

The remuneration of CMD & ED is as per the terms of appointment issued by Govt. of India and rules applicable thereof. The Company pays a sitting Fee of Rs.20,000/- per meeting, to each part-time Independent Director who attends any Board Meeting or Meeting of any Sub-Committee of the Board. However, no remuneration is paid to the part-time Government Nominee Director.

5. GENERAL BODY MEETING.

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

Year	Date	Time	Venue	Special Resolution
2015-16	29.9.2015	12.30 PM	Pragati Bhawan Pragati Maidan New Delhi-110 001	Nil
2016-17	29.9.2016	12.00 Noon	Pragati Bhawan Pragati Maidan New Delhi-110 001	Nil
2017-18	26.9.2017	3:00 PM	Pragati Bhawan Pragati Maidan New Delhi-110 001	Nil

6. DISCLOSURES

(I) The transactions with related parties are disclosed as per the requirement of the Companies Act, 2013.

(II) ITPO is complying with the applicable accounting standards. Only after the review of financial statements by Statutory Auditors and CAG, the financial statements are passed by the Board & Shareholders.

(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 to the Whistle Blower Policy, the Policy has been formulated and implemented after the approval of the Competent Authority.

(V) The Board and the Senior Management of ITPO have no personal interest, which has a potential conflict with the interest of the Company.

(VI) A Comprehensive Risk Management Policy, as per DPE Guidelines, was approved by the Board on 26-03-2013 and has since been implemented.

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

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

7. MEANS OF COMMUNICATION

The Company is an unlisted, Section 25 company (now section 8 of the new Companies Act, 2013) and, therefore, its quarterly or half-yearly results are not communicated like listed companies.

8. AUDIT QUALIFICATION

The audit observations/comments, if any, and replies, thereto, of the management for the financial year 2017-18 will be a part of the Annual Report.

9. TRAINING OF BOARD OF DIRECTORS

Training of Directors are being conducted as per the need of the Directors.

10. WHISTLE BLOWER POLICY

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

11. CORPORATE SOCIAL RESPONSIBILITY

ITPO has constituted a CSR Committee, as per the DPE guidelines and the Companies Act, which reviews the CSR activities.

As per the Companies Act, 2013, CPSEs have to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy. The 2% of the average net profit made by ITPO during the years 2014-15, 2015-16 and 2016-17 was **Rs. 3.61 crore** (approx.) which ITPO had to spend on its CSR activities for the year 2017-18. Further, the **unspent amount of Rs. 3.29 crore** (approx.) which ITPO could not spend on CSR activities for the year 2016-17 had been carried forward to this amount resulting in a **total amount of Rs. 6.90 crore** (approx.) which was to be spent on CSR activities for the year 2017-18.

For the year 2017-18, ITPO continued its efforts towards promotion of Sanitation by contributing Rs. One crore each towards “Swachh Bharat Kosh”, Govt. of India and “Clean Ganga Fund“, Govt. of India. In addition, the proposals amounting to Rs 1.33 Crore (approx.) towards construction of Hostel Block and renovation of Toilet Block for Blind students, welfare of rural women, deaf women and single women in the states of Jharkhand, Delhi and Uttarakhand respectively, welfare of orphans, Leprosy patients, underprivileged of Bikaner region, school students in Govt. school in Uttarakhand, promotion of Indian culture and heritage, improvement in healthcare, skill training in Apparel sector, distribution of free milk to school children, etc. are under implementation.

Annexure-VII

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members
India Trade Promotion Organisation
New Delhi

We have examined the compliance of Guidelines of Corporate Governance by **India Trade Promotion Organisation** for the year ended March 31, 2018 as stipulated in Notification No. 18(8)/2005- GM, dated 14th May 2010, issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India For Corporate Governance.According to the statutory records of the Company provided to us for the period 01/04/2017 to 31/03/2018, the Company has appointment one Independent directors w.e.f 10/06/2016 and has complied with the requirements of sub-section (4) of Section 149 and other applicable provisions of The Companies Act, 2013 as well as the requirements of DPE Guidelines.

The Compliance of guidelines on Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions 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 the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governances as stipulated in DPE Guidelines.

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

For Rajesh Mittal& Associates
Company Secretaries

Sd/-
(Rajesh Mittal)
(Membership No.ACS 13275, C.P No. 3254)

Place :New Delhi
Dated : 10.08.2018

Annexure-VIII

INDIA TRADE PROMOTION ORGANISATION

(A Govt. of India Enterprise)
Pragati Bhawan, Pragati Maidan, New Delhi – 110 001
Tele : 011-23371540, 23371491, Fax : 011-23371492
E-mail : info@itpo.gov.in; Website : www.indiatradefair.com

DECLARATION

As per DPE guidelines on Corporate Governance for CPSEs, this is to confirm that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2017-18.

Sd/-
(L.C. Goyal)
Chairman and Managing Director

Place : New Delhi

Dated : 04.06.2018

Annexure-IX

CORPORATE SOCIAL RESPONSIBILITY

1. The thrust of CSR and Sustainability is on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward region, and uplift of the marginalized and under-privileged sections of the society.

ITPO has been strictly adhering to CSR and Sustainability Guidelines issued by Department of Public Enterprises and the applicable Act & Rules of the Companies Act, 2013. The CSR initiatives/activities will be implemented with the approval/monitoring accordingly. The detailed policy about CSR initiatives of ITPO is available at http://indiatradefair.com/information/details/csr_initiative.

ITPO has been an active contributor towards the welfare of various communities under its CSR initiatives. For the years 2011-12 to 2013-14, ITPO extended support to Asha Kiran Home, Leprosy affected persons and Department of Social Welfare, Govt. of NCT, Delhi. For the year 2014-15, ITPO contributed towards “Swachh Bharat Kosh” of Govt. of India and also provided CSR support to small artisans of leather goods in the form of free space to display their products in the India International Leather Fair 2014, Delhi.

For the year 2015-16, ITPO contributed Rs. One crore each towards “Swachh Bharat Kosh” and “Clean Ganga Fund” of Govt. of India. In addition, the proposals in respect of activities such as welfare of Blind, skill development training for handicapped, SC/ST/OBC and weaker sections of society, vocational training for abused/orphaned and street children, wheelchairs distribution for handicapped, welfare of ex-servicemen, war widows/disabled & their dependents/orphans and welfare of artisans from weaker sections, have been executed.

For the year 2016-17, ITPO contributed towards promotion of Sanitation by contributing Rs. One crore each towards “Swachh Bharat Kosh”, Govt. of India and “Clean Ganga Fund“, Govt. of India. In addition, ITPO also contributed towards the proposals amounting to Rs. 0.92 crore like Sponsorship of two Ambulances, Sponsorship of five distribution vehicles to transport cooked meals to schools under Mid-Day Meal programme, Donation of Charkhas to Khadi Artisans, and contribution towards Health Minister’s Cancer Patient Fund.

For the year 2017-18, ITPO continued its efforts towards promotion of Sanitation by contributing Rs. One crore each towards “Swachh Bharat Kosh”, Govt. of India and “Clean Ganga Fund“, Govt. of India. In addition, the proposals amounting to Rs 1.33 Crore (approx.) towards construction of Hostel Block and renovation of Toilet Block for Blind students, welfare of rural women, deaf women and single women in the states of Jharkhand, Delhi and Uttarakhand respectively, welfare of orphans, Leprosy patients, underprivileged of Bikaner region, school students in Govt. school in Uttarakhand, promotion of Indian culture and heritage, improvement in healthcare, skill training in Apparel sector, distribution of free milk to school children, etc. are under implementation.

India Trade Promotion Organisation

Inaugural function of the Hostel Block (G+2 floors) and Renovation of Toilet Block under ITPO's CSR initiative

ITPO has constituted CSR Committee as per the DPE guidelines that reviewed the CSR activities. The committee comprises of following Board members:

- AS&FA, DoC - Chairman
- Nominee Director, MSME - Member
- Executive Director, ITPO - Member
- Nominee Director, DoC - Member
- Independent Director - Member

2. The average net profit of the company for the last three financial years (2014-15, 2015-16, 2016-17) is Rs 180.32 crore (approx.).

3. The amount to spend on CSR activities for the year 2017-18 is Rs. 360.64 lakh (approx.) (2% of average net profit of the company for the last three financial years). In addition, Rs. 329.42 lakh (approx.) was the amount

that ITPO could not spend on its CSR activities during the year 2016-17. Therefore, that total amount ITPO had to spend on its CSR activities for the year 2017-18 is Rs. 6.90 crore (approx.).

4. Details of the amount spent during the financial year 2017-18 are mentioned below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken.	Amount outlay (budget) project or program wise	Amount spent on the project or programs Sub-heads" 1.Direct expenditure 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Swachh Bharat Kosh, GoI	Sanitation & cleanliness	Govt. of India Projects in rural and urban areas	Rs. One Crore	Rs. One Crore spent as Direct expenditure. No overheads	Rs. One Crore	Rs. One Crore Contributed directly to Dept. of Expenditure, Ministry of Finance, Govt. of India
2	Clean Ganga Fund, GoI	Sanitation & cleanliness	Govt. of India Projects in rural and urban areas	Rs. One Crore	Rs. One Crore spent as Direct expenditure. No overheads	Rs. One Crore	Rs. One Crore Contributed directly to Ministry of Water Resources, River Development & Ganga Rejuvenation, Govt India
3	Institution for the Blind	Social Welfare	Delhi	Rs. Fifty Two lakh (approx.)	Rs. Fifty Two lakh (approx.) spent as Direct Expenditure	Rs. Fifty Two lakh (approx.)	Contributed through NBCC
4	Friends of Himalaya	Women Empower-ment	Dehradun, Uttarakhand	Rs. Ten lakh	Rs. Ten lakh spent as Direct Expenditure	Rs. Ten lakh	Contributed directly to "Friends of Himalaya
5	United Orphanage for the Disabled	Social Welfare	Coimbatore, Tamil Nadu	Rs. Forty Thousand	Rs. Forty Thousand spent as Direct Expenditure	Rs. Forty Thousand	Contributed directly to "United Orphanage for the Disabled"
6	The Leprosy Mission Trust of India (LMTI), Purulia	Healthcare	Purulia, West Bengal	Rs. Ten lakh	Rs. Ten lakh spent as Direct Expenditure.	Rs. Ten Lakh	Contributed directly to the LMTI
7	SPIC MACAY	Promotion of Art and culture	Delhi	Rs. Five Lakh	Rs. Five lakh spent as Direct Expenditure.	Rs. Five Lakh	Contributed directly to "SPIC MACAY"

8	BoscoNet	Women Empower-ment	Jharkhand	Rs. Ten lakh	Rs. Ten lakh spent as Direct Expenditure	Rs. Ten lakh	Contributed directly to BoscoNet
9	Under-privileged of Bikaner Region, Rajasthan	Social Welfare	Rajasthan	Rs. Five Lakh	Rs. Five lakh spent as Direct Expenditure	Rs. Five Lakh	Contributed through Govt. Department(s)
10	Students of Govt. School, Uttarakhand	Education	Uttarakhand	Rs. Five Lakh	Rs. Five lakh spent as Direct Expenditure	Rs. Five Lakh	Contributed through Govt. Department(s)
11	Sai Khemanand Medical Foundation, Shirdi	Healthcare	Shirdi	Rs. Five Lakh	Rs. Five lakh spent as Direct Expenditure.	Rs. Five Lakh	Contributed directly to “Sai Khemanand Medical Foundation, Shirdi”
12	Sai Sabri Hospital, Bhubane-swar	Healthcare	Bhubaneswar	Rs. Five Lakh	Rs. Five lakh spent as Direct Expenditure.	Rs. Five Lakh	Contributed directly to “Sai Sabri Hospital, Bhubaneswar”
13	Apparel Made-ups and Home Furnishing Sector Skill Council (AMHFSSC)	Skill Develop-ment	Under finalization	Rs. Five Lakh	Rs. Five lakh spent as Direct Expenditure	Rs. Five Lakh	Contributed directly to AMHFSSC
14	National Dairy Develop-ment Board (NDDB) - Foundation for Nutrition	Healthcare	Delhi	Rs. Ten lakh	Rs. Ten lakh spent as Direct Expenditure	Rs. Ten lakh	Contributed directly to NDDB
15	Delhi Foundation of Deaf Women (DFDW)	Women Empower-ment	Delhi	Rs. Ten lakh	Rs. Ten lakh spent as Direct Expenditure.	Rs. Ten lakh	Contributed directly to DFDW
16	ITPO’s Participa-tion in CSR Exhibition	Promotion of CSR activities	Delhi	Rs. One Lakh Twenty Four Thousand (approx.)	Contributed to DPE and towards vendor for construction of booth.	Rs. One Lakh Twenty Four Thousand (approx.)	Contributed directly to DPE and vendor

5. The unspent amount on CSR activities that ITPO could not spend (Rs. 3.57 crore) (approx.) during the year 2017-18 has been carried forward to the year 2018-19. The reasons for not spending are operational, although management is very much keen on spending on CSR activities in the next financial year along with the amount to be spent for the year 2018-19 as per the provisions of the Companies Act, 2013.

6. CSR committee is of the view that the implementation and monitoring of ITPO's CSR Policy complies with CSR objectives and Policy of the company.

Sd/- **(L.C. Goyal)** Chairman & Managing Director	Sd/- **(Dr. S.C. Pandey)** Chairman, CSR Committee

Annexure-X

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure, vision and mission

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

To promote external and domestic trade of India in a cost effective manner by organizing and participating in international trade fairs in India and abroad; by organizing buyer-seller meets and contact promotion programmes abroad; by conducting overseas market surveys, exchanging and coordinating visits of business delegations, and by undertaking need based research to facilitate trade in specific sectors/markets;

- To support and assist small and medium enterprises to access markets both in India and abroad;
- To disseminate trade information and facilitate E-commerce/trade;
- To develop quality physical infrastructure, services and management so as to enable holding of trade promotion events such as conventions and trade exhibitions of international standard; and
- To enlist the involvement and support of the State Governments, other government trade promotion agencies, trade and industry associations in trade promotion of India's external and domestic trade.

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

Vision

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

Mission

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

As per the Memorandum & Articles of Association, the Company is under Section 8 of the Companies Act, 2013, and no dividend is payable. Therefore, the excess of income over expenditure has been carried forward to the Reserve and Surplus Account for the utilization of the same in furtherance of its objectives

FINANCIAL HIGHLIGHTS

The operations of the Company for the period ended on 31st March, 2018, have yielded a surplus of Rs.134.69 crore as against Rs. 168.92 crore (Recast as per Ind-AS) for the fiscal year 2016-17. The total income generated during 2017-18 is Rs.359.55 crore compared to Rs. 390.06 crore (Recast as per Ind-AS) in the preceding year 2016-17.

SWOT

ITPO has its own exhibition ground at a prime location having State-of-the-art Exhibition Halls and other Convention/ Conference facilities. It has a team of Professional and experienced officers of various disciplines like Engineering, Architect, Design, Fairs, etc. for organizing B2B and B2C fairs/exhibitions on national/international standards. ITPO has 40 years of experience in industry with rich exposure in various trends and requirements. ITPO has a wide network with Ministries like MEA, other TPOs and it is the only Govt. PSU with a back up of various Govt. agencies / departments, thereby providing confidence among the participants. It has a well organized system in place to control the traffic during major fairs. Since some of the infrastructure is age-old and is inadequate to meet the requirements for more no. of exhibitions and fairs, the same requires up gradation with modern facilities and more no. of new exhibition halls. Due to restriction by govt. policies, there are limitations on the ground's Multi-use. Further the company has to adhere the objective of Section 8 Companies i.e. not to maximize profit. The Company faces Competition from private organisers and substantial change in Government Policies

Future Outlook

ITPO is implementing its ambitious plan of redevelopment of its landmark exhibition ground Pragati Maidan into a modern state-of-the-art International Exhibition-cum-Convention Centre (IECC) in two phases, bringing it on par with the best Exhibition and Convention Centres across the world. The project is of national importance. The infrastructure is likely to fill critical gaps in requirements for MICE (Meetings, Incentives, Conferences and Events) sector in the NCR. It is expected to substantially increase foreign exchange earnings of the country and revenues of the services & business sector of Delhi, as many events in MICE Sector may shift to New Delhi from East Asian and other countries of the world. The IECC will be a landmark and an iconic spot in Delhi and a unique symbol of the Prime Minister's vision of 'New India' in sync with India aspiring to be a global power. Fulfilling aspirations of expanding business and trade fraternity, IECC will mainly cater to G2G, G2B and B2B activities.

The project proposal includes the development of 3,82,248 sqm of total built up area including a state-of-the-art Convention Centre of an area of 53,399 sq.mtrs., six modern exhibition halls with an area of 1,51,687 sq. mtrs, basement parking for 4800 ECUs (Equivalent car units) of 1,68,305 sq. mtrs. area and an Administrative Building of 8,857 sq.mtrs. in Phase-I. A site of area 3.70 acres on Bhairon Marg with independent entry and exit points is also being monetized for a hotel as a part of the complex in line with the fact that hospitality, worldwide, is an integral part of any modern MICE destination.

The convention Centre will be a 34 m tall landmark building on par with the best in the world. This structure will be on an elevated podium with a unique sloping facade incorporating the rich architectural heritage of Delhi. The

Convention Centre will have a seating facility for 7000 pax in a single format (a Plenary Hall of 3000 pax capacity and a multi-Function hall of 4000 pax), five times that of Vigyan Bhawan, along with 25 meeting rooms of different capacities and comprising G20 and Premium rooms. It will significantly add to the grandeur, stature and profile of the capital city of Delhi. It will also have an amphitheatre of 3,000 seating capacity.

Traffic decongestion interventions vital for better access to IECC and for the benefit of general public are also being taken up. Essentially, Purana Quila Road will be connected to Ring Road through a 6-lane divided tunnel cutting across Pragati Maidan providing an alternative to Bhairon Marg which remains choked beyond capacity. T-junctions of Bhairon Marg with Ring Road and Mathura Road and the entire stretch of Mathura Road from DPS to W-Point will be made single free. All of this would decongest traffic in this area as also will reduce pollution levels.

The project cost for both IECC and traffic decongestion interventions is Rs. 3437 crore. Both the Projects are in a fast track mode and to be completed by the end of September, 2019.

Internal control systems and their adequacy

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

Internal Financial control systems and their adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

Material developments in human resources, industrial relations

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

Environmental protection and conservation, technological conservation, renewable energy development.

Your company is a non-manufacturing company. However, ITPO is very much concerned about the environment and the conservation of energy and resources like water, power etc. The office buildings have been constructed at three locations with energy efficient lighting (near Hall No. 7D & 7FGH and near Hall No. 12) at Pragati Maidan, New Delhi for shifting of ITPO office. All the care has been taken in respect of environment protection regulations in the redevelopment project.

Risk Management

Your Company regularly analyses the risks related to its operations and all steps were taken to manage & mitigate the known risks by insurance & other means.

Corporate Social Responsibility

Corporate Social Responsibility (**CSR**) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

The thrust of CSR and Sustainability is on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward region, and upliftment of the marginalized and under-privileged section of the society.

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

Texstyle-India 2017

Accounts



India Trade
Promotion Organisation

Standalone Accounts

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	2,065.18	3,766.58
Capital work in progress	3	28,419.90	109.26
Other Intangible Assets	4	49.79	14.14
Investments in Subsidiaries & Joint Venture	5	1,173.09	1,196.42
Financial Assets			
Investments	6	-	-
Loans	7	521.22	1,392.67
Non-current tax assets	8	20,561.01	18,167.19
Other non-current assets	9	34,318.78	16,204.64
Current assets			
Financial Assets			
Investments	10	78.75	72.40
Trade receivables	11	936.18	870.26
Cash and cash equivalents	12	3,709.16	3,571.50
Bank balances other than cash and cash equivalents	13	90,101.00	143,599.99
Loans	14	2,953.27	2,002.16
Other Financial assets	15	30,715.04	12,326.79
Other Current Assets	16	1,264.21	902.12
TOTAL ASSETS		216,866.58	204,196.12
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	25.00	25.00
Other Equity	18	196,400.91	182,932.00
Liabilities			
Non-current liabilities			
Non-current Provisions	19	2,191.69	2,417.57
Other non-current liabilities	20	815.65	853.54
Current Liabilities			
Financial liabilities			
Trade payables	21	1,698.93	2,007.86
Other financial liabilities	22	3,958.94	4,148.20
Other current liabilities	23	3,554.01	3,463.90
Current Provisions	24	8,221.45	8,348.05
TOTAL EQUITY AND LIABILITIES		216,866.58	204,196.12

'Significant Accounting Policies and Notes'- 1 to 31 form an integral part of the Financial Statements.

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(S.R.Sahoo)	**(D.M.Sharma)**	**(Deepak Kumar)**	**(L.C.Goyal)**
Company Secretary	Chief Financial Officer	Executive Director	Chairman & Managing Director
M. No. F5595	M. No. 084838	DIN: 07886176	DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N
Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

STANDALONE STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	**Note No.**	**Year ended 31st March 2018**	**Year ended 31st March 2017**
Income			
Revenue From Operations	25	24,747.99	26,314.33
Other Income	26	11,206.98	12,692.06
Total Income		35,954.97	39,006.39
Expenditure			
Employee benefits expense	27	10,601.31	11,107.70
Depreciation and amortization expense	28	414.06	463.09
Other expenses	29	10,099.10	10,325.59
Total Expenditure		21,114.47	21,896.37
Excess of Income over Expenditure before exceptional items and tax		14,840.50	17,110.02
Exceptional Items	30	(1,378.39)	-
Excess of Income over Expenditure before tax		13,462.11	17,110.02
Tax expense		-	-
Surplus for the year		13,462.11	17,110.02
Other Comprehensive Income			
Items that will not be reclassified to Income & Expenditure:		-	-
Remeasurement gain/ (loss) on defined benefit plans	31.10 (II)	6.81	(218.21)
Other Comprehensive Income/ (Loss) for the year		6.81	(218.21)
Total comprehensive income for the year		13,468.92	16,891.81
Earnings per share- Basic/ Diluted (Face Value of Rs. 100/- each)	31.11	0.54	0.68

'Significant Accounting Policies and Notes'- 1 to 31 form an integral part of the Financial Statements.

Sd/-
(S.R.Sahoo)
Company Secretary
M. No. F5595

Sd/-
(D.M.Sharma)
Chief Financial Officer
M. No. 084838

Sd/-
(Deepak Kumar)
Executive Director
DIN: 07886176

Sd/-
(L.C.Goyal)
Chairman & Managing Director
DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N
Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital (Refer Note. 17)

For the year ended 31st March 2018 **(Rs. in Lakhs)**

Particulars	No. of shares	Amount
Balance as at 1 April 2017	25,000	25.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**25,000**	**25.00**

For the year ended 31st March 2017 **(Rs in Lakhs)**

Particulars	No. of shares	Amount
Balance as at 1 April 2016	25,000	25.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	**25,000**	**25.00**

B. Other Equity (Refer note 18)

For the year ended 31st March 2018 **(Rs. in Lakhs)**

Particulars	Reserves and Surplus				Total
	Retained Earnings	Capital Reserve			
		Promoter's Contribution for KTPO	Promoter's Contribution for ITPO	Others	
Balance as at 1 April, 2017	176,630.29	1,325.22	4,965.62	18.10	182,939.23
Changes in accounting policy or prior period errors	(7.23)	-	-	-	(7.23)
Restated Balance as at the 1 April, 2017	176,623.06	1,325.22	4,965.62	18.10	182,932.00
Add: Transfer from Capital Reserve	5,270.84	-	-	-	5,270.84
Add: Surplus for the year	13,462.11	-	-	-	13,462.11
Add: Other Comprehensive Income/(Loss) for the year	6.81	-	-	-	6.81
(Less): Transfer to Retained Earnings	-	(305.22)	(4,965.62)	-	(5,270.84)
Balance as at 31 March 2018	195,362.81	1,020.00	-	18.10	196,400.91

For the year ended 31st March 2017 **(Rs in Lakhs)**

Particulars	Reserves and Surplus				Total
	Retained Earnings	Capital Reserve			
		Promoter's Contribution for KTPO	Promoter's Contribution for ITPO	Others	
Balance as at 1 April 2016	159,731.25	1,325.22	4,965.62	18.10	166,040.19
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 April 2016	159,731.25	1,325.22	4,965.62	18.10	166,040.19
Add: Surplus for the year	17,110.02	-	-	-	17,110.02
Add: Other Comprehensive income/(loss) for the year	(218.21)	-	-	-	(218.21)
Balance as at 31 March,2017	176,623.06	1,325.22	4,965.62	18.10	182,932.00

'Significant Accounting Policies and Notes'- 1 to 31 form an integral part of the Financial Statements.

Sd/-
(S.R.Sahoo)
Company Secretary
M. No. F5595

Sd/-
(D.M.Sharma)
Chief Financial Officer
M. No. 084838

Sd/-
(Deepak Kumar)
Executive Director
DIN: 07886176

Sd/-
(L.C.Goyal)
Chairman & Managing Director
DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N
Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

	Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Excess of income over expenditure before Tax		13,462.11		17,110.02
	Adjustments For:				
	Other Comprehensive Income	6.81		(218.21)	
	Depreciation and Amortisation Expenses	414.06		463.09	
	Loss/ (Profit) on Sale of Property, Plant & Equipments	1,323.71		27.98	
	Interest & Dividend Income	(10,077.35)		(11,825.74)	
	Provisions	134.84		147.93	
	Provisions/Liabilities No Longer Required, written back	(329.01)		(145.96)	
	Impairment Loss	13.53		33.89	
	Fair value (gain)/ loss on Financial Investment	2.88		(8.37)	
	Assets Written Off	-	(8,510.53)	0.11	(11,525.28)
	Operating Profit before working capital changes		**4,951.58**		**5,584.74**
	Less: Net Increase (decrease) in Working Capital:				
	Increase (Decrease) in Non-Current Financial Loans	(97.68)		(171.11)	
	Increase (Decrease) in Non-Current Tax Assets	2,393.82		2,662.56	
	Increase (Decrease) in Other Non-Current Assets	186.47		926.29	
	Increase (Decrease) in Trade Receivables	(89.43)		(115.65)	
	Increase (Decrease) in Bank Balance	(53,498.99)		4,300.09	
	Increase (Decrease) in Current Loans	167.54		(123.59)	
	Increase (Decrease) in Other Current Financial Assets	18,408.27		(180.81)	
	Increase (Decrease) in Other Current Assets	475.66		53.37	
	(Increase) Decrease in Non-Current Provisions	225.88		(584.81)	
	(Increase) Decrease in Other Non-Current Liabilities	37.89		79.85	
	(Increase) Decrease in Trade Payables	308.93		203.42	
	(Increase) Decrease in Other Current Financial Liabilities	189.26		(186.68)	
	(Increase) Decrease in Other Current Liabilities	(90.11)		(679.07)	
	(Increase) Decrease in Current Provisions	126.60		(2,108.73)	
	Provisions/Liabilities No Longer Required	(172.00)	(31,427.89)	(141.98)	3,933.15
	Net cash from Operating Activities [A]		36,379.47		1,651.59
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	(Deposit)/ Withdrawal in Financial Assets		-		500.00
	Adv. For IECC Project		(46,234.90)		(13,270.26)
	Purchase of Property, Plant & Equipments		(596.21)		(215.98)
	Sale of Fixed Assets		521.19		222.42
	Investments & Inter-corporate Deposits		(9.23)		(5.59)
	Interest & Dividend Income		10,077.35		11,825.74
	Net cash from Investing Activities [B]		(36,241.80)		(943.68)

Contd.

C	**CASH FLOW FROM FINANCING ACTIVITIES [C]**		NIL		NIL
	Net Increase / Decrease in Cash and Cash equivalents [A+B+C]		137.66		707.91
	Cash and Cash equivalents at the beginning of the year		3,571.50		2,863.59
	Cash and Cash equivalents at the end of the year		**3,709.16**		**3,571.50**
	Components of Cash and Cash Equivalents				
	At The End of The Year				
	Cash in Hand and Cash equivalents		33.01		9.28
	Balance with Banks - in Current & Saving Accounts		3,676.15		3,562.22
	Balance with Banks - in Term Deposit up to 3 months original maturity		-		-
			3,709.16		**3,571.50**

Note:-

1. Cash and Cash equivalents include Cash in hand, Drafts/Cheques in hand, Bank Balances, Deposits with Banks and Short term Investments with an original maturity of 3 months or less.
2. Outflow from Operating Activities at 'A' includes Rs. 266.27 lakhs (previous year Rs. 200.75 lakhs) for expenditure on CSR Activities.
3. Amendment to Ind-AS 7: Effective April 1, 2017, the company adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

   Significant Accounting Policies and notes 1 to 31 form an integral part of the financial statements.

Sd/-
(S.R.Sahoo)
Company Secretary
M. No. F5595

Sd/-
(D.M.Sharma)
Chief Financial Officer
M. No. 084838

Sd/-
(Deepak Kumar)
Executive Director
DIN: 07886176

Sd/-
(L.C.Goyal)
Chairman & Managing Director
DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N
Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

1. COMPANY INFORMATION

The Company was incorporated in India under Section - 8 of the Companies Act, 2013 (previously section 25 of the Companies Act, 1956) on 30.12.1976 under the name and style Trade Fair Authority of India (TFAI) with the main object of promoting India's trade primarily through the medium of organizing trade fairs and exhibitions in India and abroad. Subsequent to the merger of erstwhile Trade Development Authority of India with TFAI on 01.01.1992, the merged Organisation was renamed as India Trade Promotion Organisation (ITPO) and 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. The registered office of the company is located at Pragati Bhawan, Pragati Maidan New Delhi-110001 with offices in various states in India and is domiciled in India.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors on August 29, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Compliance with Indian Accounting Standards (Ind-AS)

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Rules, 2017 and the other relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b. Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and financial liabilities which are measured at fair value:

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Notes to accounts.

c. Functional and presentation currency

The financial statements are prepared in Indian Rupees ('INR.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakh with two decimal places, unless stated otherwise.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Operating Cycle:

The operating cycle is the time period between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

e. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that require material adjustments to the carrying amount of the assets and liabilities in future period(s).

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on straight line basis over their respective useful lives. Management estimates the useful lives of these assets are not higher than the useful lives & residual value prescribed in Schedule II of the Companies Act, 2013. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit in future years.

ii. Retirement Benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. Details about the assumptions used, including a sensitivity analysis are given in Notes to accounts.

iii. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iv. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment for doubtful debts/ advances is made in respect of dues, including Government Dues, outstanding for more than three financial years, or otherwise, except cases where the Company is hopeful of recovery.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

v. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.2. Property, Plant and Equipment

An item of Property, Plant & Equipment is recognized as an asset, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation/ acquisition/ construction and other incidental costs till completion of the installation/acquisition/construction of the item) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. In cases where final settlement of bill/invoice of any contractor/ executing agency is pending, but the asset is complete and available for use, Capitalisation is done on the basis of contract awarded/ statement of account/ utilisation certificate subject to the necessary adjustments, including those arising out of settlement of arbitration/court cases.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Income and Expenditure during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Income and Expenditure.

Leasehold land acquired on perpetual lease basis is not amortized.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Depreciation is charged to Statement of Income & Expenditure on straight-line basis over the estimated useful life of an assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Buildings - Leasehold/ Freehold	60	40/20/10
Plant & Machinery	15	15/10/8
Vehicles	8	5

The property, plant and equipment costing upto Rs. 5,000/-each are fully depreciated during the year of addition.

In case of additions to/ deductions from assets, depreciation is charged on pro-rata basis from/ up to the month in which the asset is available for use/ disposal.

2.3. Capital Work-In-Progress

Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

In cases where final settlement of bills with contractors/ executing agency is pending, Cost/ Expenditure are recognised as CWIP on the basis of contract awarded/ statement of accounts/ utilisation certificate subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

2.4 Intangible Assets

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of Income & Expenditure.

Intangible assets are fully amortised equally over the period of legal right to use or three financial years, whichever is earlier, from the year in which the asset is available for use.

2.5 Impairment of Non Financial Assets

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period(s). If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, drafts/cheques on hand, bank balances, deposits with banks and short term investments, which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.7 Inventories

Inventories are valued at lower of the cost or net realizable value. Obsolete, defective and unserviceable stocks are provided for, wherever required.

2.8 Foreign Currency Transactions

Foreign currency transactions are recorded at the average rate of remittances. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise.

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the average rate of remittances. In case previous funds are utilised, average rate of the previous remittance(s) is taken for the purpose of conversion.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

2.9 Fair Value Measurement

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, etc. All methods of assessing fair value result in general approximation of value, and such value may not actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date are not carried at fair value, due to the short maturity of these instruments.

2.10 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of income and expenditure.

(b) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

1. Financial assets measured at amortized cost;
2. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
3. Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Income and expenditure (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of income and expenditure. The losses arising from impairment are recognized in the statement of income and expenditure. This category generally applies to employee loans and other loans/ advances having specified terms etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Income and Expenditure.

(3) Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Income and Expenditure.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks and employee loans and other loans/ advances having specified terms etc.
- Financial assets that are debt instruments, and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

Impairment for doubtful receivables is made in respect of dues, including Government Dues, outstanding for more than three financial years, or otherwise, except cases where the Company is hopeful of recovery.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(a) The rights to receive cash flows from the asset have been expired/transferred, or

(b) The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

(a) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the income and expenditure.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to Statement of Income and Expenditure. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of Income & Expenditure.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized as Income & Expenditure over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Income & Expenditure when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Statement of Financial Position date, if not, they are classified under non-current liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Income and Expenditure.

*Since the Company is regd. under Sec. 8 of the Companies Act, 2013, it prepares a Statement of Income & Expenditure as per Sec. 2(40). Hence for the purpose of complying with Ind AS, FVTPL- Fair Value through Profit & Loss Account (wherever mentioned) would mean Fair Value through Statement of Income & Expenditure.

2.11 Investments In Subsidiaries And Joint Venture

Investments in subsidiaries and joint venture are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Income and Expenditure.

2.12 Revenue Recognition

a) Income and Expenditure in respect 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 income & expenditure of such event is accounted for in the year in which the event concludes.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

It is measured at fair value of the consideration received or receivable, after deduction of discounts/ rebates and any taxes or duties collected on behalf of the government which are levied such as service tax/goods and service tax.

b) Revenue from rentals and operating leases is recognized on accrual basis in accordance with the substance of the relevant agreement.

c) 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.

d) Expenditure incurred through agencies like CPWD/ NBCC on Civil, Electrical, Horticulture, etc. is accounted for on the basis of statements/accounts/ utilisation certificates rendered by them.

e) Income and Expenditure relating to earlier years, not exceeding Rs.10,000 in each case, are treated as pertaining to current year.

f) 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 are executed.

g) Claims for liquidated damages from contractors for delayed execution of work is recognised as Income, when the amount is finally determined and agreed upon.

h) Subscription fees from associate subscribers and service charges from regular subscribers are recognised on receipt basis. However, subscription fee received in advance is accounted for in the relevant year for which it pertains.

i) Dividend income is recognised in the Statement of Income & Expenditure when the right to receive dividend is established.

j) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.

2.13 Government Grants

Government grants are recognized with deferred income approach when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for expenses incurred are recognized as income in the period in which the related costs are incurred.

Grants in the nature of promoter's contribution is recognised in appropriate category under Other Equity.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

2.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying tangible assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying tangible assets for their intended use are complete.

2.15. Employee Benefits

a) Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b) Post-Employment Benefits

i) Defined contribution plan:

The Company's approved provident fund scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes to separate trusts, which invests the fund in permitted securities. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service. The Company is also under obligation to make good the accumulated shortfall of the trusts, if any, and recognise such shortfall as its expense.

ii) Defined benefit plan

The employees' gratuity fund scheme (funded) and the employees leave encashment (unfunded) are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Gratuity is funded through a separate ITPO Employees Gratuity Fund Trust which manages the affairs of the trust. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Income and Expenditure in subsequent periods. The Company is also under obligation to make good the accumulated shortfall of the gratuity trust, if any, and recognise such shortfall as its expense.

c. Termination Benefits

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Income and Expenditure in the year of incurrence of such expenses.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

2.16. Provisions And Contingent Assets & Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of economic benefit is remote .Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

c) Contingent Assets

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in financial statements.

2.17 Earning Per Share

Basic earnings per share is calculated by dividing net surplus/ deficit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

2.18. Segment Reporting

The operating segments are identified on the basis of internal reports used by the Company's Management to allocate resources and assess their performance for decision making. The Board of Directors is collectively the company's "chief operating decision maker" or "CODM" within the meaning of Ind AS 108.

The company has identified two reporting segments namely trade promotion activities in India & abroad.

2.19. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease .Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Income & Expenditure on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.20. Recent accounting pronouncements: Standards issued but not yet effective:

IND AS 115 Revenue from Contracts with Customers

MCA had notified IND AS 115 on Revenue from Contracts with Customers on dated March 28, 2018. The standard establishes a new five step model that will apply to revenue arising from Contracts with customers. Under IND AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IND AS 115 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IND AS.

The effective date of IND AS 115 is annual periods beginning on or after 1st April 2018. The Company is required to adopt the standard by the Financial Year commencing 1st April 2018. The Company is currently evaluating the requirements of IND AS 115 and has not yet determined the impact on the financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (AS AT 31ST MARCH, 2018)

	Description	Useful Life (years)	Gross Block			
			As at 1.04.2017	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2018
A	**PROPERTY, PLANT & EQUIPMENT**					
	Land					
	Leasehold (Ghazipur)		78.76	-	-	78.76
	Leasehold (Pragati Maidan) (Refer Note 3.1)		0.00	-	-	0.00
	Buildings (on Leasehold Land)					
	A Class	40	1,572.34	77.12	444.21	1,205.26
	B Class	20	33.93	371.79	20.99	384.73
	C Class	10	60.21	-	19.48	40.73
	Anarkali food plaza (Refer Note 3.2)		0.00	-	0.00	-
	Buildings- Freehold					
	Residential/ office flats- free hold	40	159.87	-	-	159.87
	Plant and Machinery					
	Solar installation	15	110.26	-	-	110.26
	Air conditioning plants	8	0.25	-	0.25	-
	Air conditioning plants	15	1,866.07	-	1,805.70	60.37
	Air conditioning/ air ventilation plants (Refer Note 3.1)	10	0.28	-	0.28	-
	Furniture & fittings					
	Furniture & fixture	10	34.10	4.99	0.06	39.04
	Fire hydrant & fire fighting systems	10	5.17	1.72	-	6.89
	Water supply & drainage	10	16.00	-	7.36	8.63
	Vehicles	5	30.81	-	-	30.81
	Office Equipments					
	Office equipments/ other miscellaneous assets	5	128.56	1.75	50.17	80.15
	Audio visual equipments	5	151.50	-	1.57	149.93
	Computers & Data Processing					
	Servers & networks	6	21.70	11.43	-	33.13
	Computers, etc	3	118.87	4.55	1.94	121.48
	Electric installations/ fittings	10	245.05	55.35	128.19	172.21
	SUB TOTAL(A)		**4,633.72**	**528.71**	**2,480.20**	**2,682.24**
B	**CAPITAL WORK IN PROGRESS**		109.26	29,693.86	1,383.21	28,419.90
	SUB TOTAL (B)		**109.26**	**29,693.86**	**1,383.21**	**28,419.90**
	GRAND TOTAL (A+B)		**4,742.98**	**30,222.57**	**3,863.41**	**31,102.14**

3.1 Book Value of Re. 1/- only, net of grant received towards Land and Buildings

3.2 Includes Anarkali Food Plaza, Book Value of Re. 1/- only as at 01.04.2017, demolished during 2017-18, Nil as at 31.3.2018

3.3 Depreciation includes Rs. 1.28 lakh (Previous Year Rs. 2.75 lakh) in respect of each asset costing Rs. 5,000 or less, depreciated at the rate of 100%.

3.4 Based on a study carried out by a professional firm, no case of impairment of assets exists as at 31st March, 2018 under the provisions of Ind AS- 36 on impairment of assets.

3.5 Assets costing Rs. 4305.21 lakh having net block of Rs. 1839.46 lakh were handed over/ demolished for IECC project and deleted from the books of the accounts for the year against the sale proceeds of Rs. 461.07 lakh. The resultant loss of Rs. 1378.39 lakh is included in 'Exceptional Items' in the Statement of Income & Expenditure.

3.6 The physical verification of Property, Plant & Equipments is done once in two years and was due to be done during the year 2017-18. The reconciliation of the physical verification report with the book balances will be carried out & the resultant financial impact, if any is not ascertainable at this stage.

3.7 Refer 'Para 2.2 & 2.3' of 'Significant Accounting Policies' for the depreciation on Property, Plant and Equipment.

3.8 Leasehold Land, as per past practise, has not been amortized as per accounting policy

(Rs. in Lakhs)

Depreciation				Net Block	
As at 1.04.2017	For the year	Sales/ disposal/ adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
-	-	-	-	78.76	78.76
-	-	-	-	0.00	0.00
154.23	140.64	67.26	227.61	977.64	1,418.11
9.41	5.02	9.38	5.05	379.68	24.52
19.32	9.34	14.01	14.65	26.08	40.89
-	-	-	-	-	0.00
12.28	6.13	-	18.41	141.46	147.59
6.21	6.98	-	13.19	97.07	104.04
-	-	-	-	-	0.25
348.14	134.15	439.15	43.14	17.23	1,517.93
-	-	-	-	-	0.28
11.14	5.24	0.01	16.37	22.66	22.96
-	1.17	-	1.17	5.72	5.17
2.12	1.36	1.54	1.94	6.69	13.88
8.57	3.09	-	11.66	19.15	22.24
64.97	11.09	47.90	28.17	51.98	63.59
130.24	-	-	130.24	19.69	21.26
5.95	14.11	-	20.06	13.07	15.75
40.91	24.68	-	65.58	55.89	77.97
53.66	22.63	56.48	19.81	152.41	191.39
867.14	**385.64**	**635.72**	**617.06**	**2,065.18**	**3,766.58**
-	-	-	-	28,419.90	109.26
-	**-**	**-**	**-**	**28,419.90**	**109.26**
867.14	**385.64**	**635.72**	**617.06**	**30,485.08**	**3,875.84**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

PROPERTY, PLANT AND EQUIPMENT (AS AT 31ST MARCH, 2017)

	Description	Useful Life (years)	Gross Block			
			As at 1.04.2016	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017
A	**PROPERTY, PLANT & EQUIPMENT**					
	Land					
	Leasehold (Ghazipur)		78.76	-	-	78.76
	Leasehold (Pragati Maidan)		0.00	-	-	0.00
	Buildings (on Leasehold Land)					
	A Class	40	1,586.28	-	13.97	1,572.34
	B Class	20	79.48	-	45.54	33.93
	C Class	10	60.63	-	0.42	60.21
	Anarkali food plaza # #		0.00	-	-	0.00
	Buildings- Freehold					
	Residential/ office flats- free hold	40	159.87	-	-	159.87
	Plant and Machinery					
	Solar installation	15	36.74	73.52	-	110.26
	Air conditioning plants	8	23.50	-	23.25	0.25
	Air conditioning plants	15	1,916.23	-	50.15	1,866.07
	Air conditioning/ air ventilation plants #	10	1.89	-	1.61	0.28
	Furniture & fittings					
	Furniture & fixture	10	32.59	1.68	0.17	34.10
	Fire hydrant & fire fighting systems	10	175.27	-	170.10	5.17
	Water supply & drainage	10	15.56	0.44	-	16.00
	Vehicles	5	31.74	-	0.93	30.81
	Office Equipments					
	Office equipments/ other miscellaneous assets	5	114.46	16.85	2.76	128.56
	Audio visual equipments	5	151.50	0.00	0.00	151.50
	Computers & Data Processing					
	Servers & networks	6	21.70	-	-	21.70
	Computers, etc	3	83.07	42.45	6.65	118.87
	Electric installations/ fittings	10	249.28	-	4.22	245.05
	SUB TOTAL(A)		**4,818.54**	**134.94**	**319.77**	**4,633.71**
B	**CAPITAL WORK IN PROGRESS**		617.92	251.64	760.30	109.26
	SUB TOTAL (B)		**617.92**	**251.64**	**760.30**	**109.26**
	GRAND TOTAL (A+B)		**5,436.46**	**386.58**	**1,080.07**	**4,742.97**

\# Book Value of Re. 1/- only

i. Depreciation includes Rs. 2.75 lakhs in respect of each asset costing Rs. 5,000 or less, depreciated at the rate of 100%.

ii. Based on a study carried out by a professional firm, no case of impairment of assets exists as at 31st March, 2017 under the provisions of Ind AS- 36 on impairment of assets.

iii. Assets costing Rs. 593.94 lakh having net block of Rs. 236.63 lakhs were handed over/ demolished for IECC project and deleted from the books of the accounts for the year against the sale proceeds of Rs. 209.34 lakhs. The resultant loss of Rs. 27.29 lakhs is included in 'Other Expenses' in the Statement of Income & Expenditure.

Depreciation				Net Block	
As at 1.04.2016	For the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
-	-	-	-	78.76	78.76
-	-	-	-	0.00	0.00
78.34	78.31	2.43	154.23	1,418.11	1,507.94
8.54	8.26	7.39	9.41	24.52	70.94
9.66	9.66	-	19.32	40.89	50.97
-	-	-	-	0.00	0.00
6.15	6.13	-	12.28	147.59	153.73
0.78	5.43	-	6.21	104.05	35.96
4.18	4.18	8.36	-	0.25	19.32
178.01	177.86	7.73	348.14	1,517.93	1,738.22
-	-	-	-	0.28	1.89
5.72	5.46	0.04	11.14	22.96	26.87
22.99	22.99	45.98	-	5.17	152.28
0.70	1.42	-	2.12	13.88	14.86
4.17	4.40	-	8.57	22.24	27.57
50.60	14.95	0.58	64.97	63.59	63.86
65.16	65.08	-	130.24	21.26	86.34
3.53	2.42	-	5.95	15.75	18.17
20.76	21.58	1.43	40.91	77.96	62.31
26.51	27.89	0.74	53.66	191.39	222.77
485.80	**456.02**	**74.68**	**867.14**	**3,766.58**	**4,332.76**
-	**-**	**-**	-	109.26	617.92
-	**-**	**-**	**-**	**109.26**	**617.92**
485.80	**456.02**	**74.68**	**867.14**	**3,875.84**	**4,950.67**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

4. OTHER INTANGIBLE ASSETS (AS AT 31ST MARCH, 2018)

(Rs. in Lakhs)

Description	Useful Life (years)	Gross Block				Amortization				Net Block	
		As at 1.04.2017	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2018	As at 1.04.2017	For the year	Sales/ disposal/ adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Softwares	3	0.79	64.09	-	64.88	0.26	21.64	-	21.90	42.99	0.53
Website	3	20.41	-	-	20.41	6.80	6.80	-	13.60	6.80	13.61
TOTAL		**21.20**	**64.09**	**-**	**85.28**	**7.06**	**28.44**	**-**	**35.50**	**49.79**	**14.14**

Other Intangible Assets (As at 31st March, 2017) (Rs. in Lakhs)

Description	Useful Life (years)	Gross Block				Amortization				Net Block	
		As at 1.04.2016	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017	As at 1.04.2016	For the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Softwares	3	-	0.79	-	0.79	-	0.26	-	0.26	0.53	-
Website	3	-	20.41	-	20.41	-	6.80	-	6.80	13.61	-
TOTAL		**-**	**21.20**	**-**	**21.20**	**-**	**7.06**	**-**	**7.06**	**14.14**	**-**

5. INVESTMENTS IN SUBSIDIARIES & JOINT VENTURE (valued at cost, unless stated otherwise)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	In Equity Shares- Unquoted, fully paid up				
	Subsidiary Companies				
	51 (51) equity shares of Rs.1,000/- each in Tamilnadu Trade Promotion Organisation (TNTPO)	0.51		0.51	
	1,02,000 (1,02,000) equity shares of Rs.1,000/- each in Karnataka Trade Promotion Organisation (KTPO)	1,020.00	1,020.51	1,020.00	1,020.51
	Joint Venture Company				
	2,00,000 (2,00,000) equity shares of Rs.100/- each in National Centre for Trade Information (NCTI)	200.00		200.00	
	(Less): Provision for Impairment Loss	(47.42)	152.58	33.89	166.11
	Other				
	- Difference of fair value and transaction value of interest free loan to TNTPO		-		9.80
			1,173.09		**1,196.42**

5.1	Information about Subsidiaries and Joint Venture:				
	Investment in Subsidiaries:				
	Name of Company	**Country of Incorporation**	**Principal Activities**	**Proportion (%) of Shareholding 31.03.2018**	**Proportion (%) of Shareholding 31.03.2017**
	Tamil Nadu Trade Promotion Organisations	India	Trade Promotion	51%	51%
	Karnataka Trade Promotion Organisation	India	Trade Promotion	51%	51%
	Investment in Joint Venture:				
	Name of Company	**Country of Incorporation**	**Principal Activities**	**Proportion (%) of Shareholding 31.03.2018**	**Proportion (%) of Shareholding 31.03.2017**
	National Centre for Trade Information	India	Trade Information	50%	50%
5.2	Equity investments in subsidiaries and joint ventures are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.				

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

6. INVESTMENTS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	In Equity Shares- Unquoted, fully paid up. (carried at fair value through other comprehensive income)				
	5 shares of Rs.50/- each aggregating to Rs. 250/- in Sea Glimpse Cooperative Housing Society, Mumbai		-		-
			-		-
	(i) Aggregate amount of Unquoted Investments		-		-
	(ii) Aggregate amount of impairment in the value of investments		-		-

7. LOANS (Considered good)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Loan to Subsidiary Company- KTPO (Refer Note 14.1)				
	Unsecured		-		773.77
	Loan to Employees (Refer Note 7.1) (including accrued interest)				
	Secured	475.93		376.45	
	Unsecured	45.29	521.22	242.45	618.90
			521.22		**1,392.67**
7.1	Loan to Employees includes:				
	Due from Directors		-		-
	Due from officers in the nature of loan		18.49		24.79

8. NON-CURRENT TAX ASSETS (Unsecured)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Income Tax / TDS Recoverable (Refer Note. 31.4 B)				
	Considered good		20,561.01		18,167.19
	Considered doubtful	426.00		427.65	
	(Less): Provision for doubtful TDS	(426.00)	-	(427.65)	-
			20,561.01		**18,167.19**

9. OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Capital Advances				
	Secured (against corporate guarantee of NBCC)	10,000.00		10,003.19	
	Unsecured	22,030.97	32,030.97	4,356.39	14,359.58
	Sundry Deposits				
	Unsecured, considered good	1,154.82		162.25	
	Unsecured, considered doubtful	-		11.32	
	(Less): Provision for doubtful deposits	-	1,154.82	(11.32)	162.25
	Service Tax Recoverable (Refer Note 31.8)		1,017.96		1,543.23
	Deferred Payroll expense		115.03		139.58
			34,318.78		**16,204.64**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

10. INVESTMENTS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	In Mutual Funds- Quoted (Carried at fair value through income and expenditure)				
	2,70,169 (2,40,157) units of Rs. 10/- each in UTI-Balanced Fund Dividend Reinvestment scheme		78.75		72.40
			78.75		**72.40**
	(i) Aggregate amount of quoted investment & market value thereof		78.75		72.40
	(ii) Aggregate amount of impairment in the value of investments		-		-

11. TRADE RECEIVABLES

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Unsecured, considered good (Refer Note 11.1)		936.18		870.26
	Unsecured, considered doubtful (Refer Note 11.2)	1,238.87		1,443.25	
	(Less): Provision for doubtful trade receivables	(1,238.87)	-	(1,443.25)	-
			936.18		**870.26**
11.1	Due to short-term nature of current receivables, their carrying amount is assumed to be same as their fair value.				
11.2	Trade receivables include amount of Rs. 54.48 lakhs (Previous year Rs. 54.48 lakhs) due from NCTI, JV Company.				

12. CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Balances with Banks- Current & Savings accounts (Refer Note 12.1)		3,676.15		3,562.22
	Drafts /Cheques on hand		28.08		3.18
	Cash on hand		4.81		5.07
	Postage Imprest		0.12		1.03
			3,709.16		**3,571.50**
12.1	Balances with Banks includes Rs. 8.66 lakhs (Previous year: 8.39 lakhs) lying in foreign banks, duly confirmed.				
12.2	There are no restriction with regard to cash and cash equivalents as at the end of the reporting period.				

13. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Term deposits with banks having original maturity of more than 3 months but less than 12 months		90,101.00		143,599.99
			90,101.00		**143,599.99**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

14. LOANS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Loans to Subsidiary Companies (Unsecured, considered good)				
	Loan to TNTPO	0.03		99.04	
	Loan to KTPO (Refer Note 14.1)	773.80	773.83	1.21	100.25
	Loan to Employees (including accrued interest) (Refer Note 14.2)				
	Secured, considered good	103.94		150.71	
	Unsecured, considered good	2,075.50	2,179.44	1,751.20	1,901.91
			2,953.27		**2,002.16**
14.1	Loan since received				
14.2	Loans to Employees includes dues from:				
	Directors / Ex-Directors		0.01		0.86
	Officers in the nature of loan		7.55		5.49

15. OTHER FINANCIAL ASSETS (Unsecured)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Grant recoverable from Government of India				
	Considered good	711.35		237.49	
	Considered doubtful	21.47		1.48	
	(Less): Provision for doubtful grant	(21.47)	711.35	(1.48)	237.49
	Inter-corporate deposits (placed with NBFCs)		26,800.00		7,500.00
	Due from Indian Missions Abroad		7.86		1.09
	Interest accrued on Saving bank accounts & deposits		3,145.81		4,547.71
	Due from parties in respect of deposit works				
	Considered good	50.02		40.50	
	Considered doubtful	41.73		41.73	
	(Less): Provision for doubtful dues	(41.73)	50.02	(41.73)	40.50
			30,715.04		**12,326.79**

16. OTHER CURRENT ASSETS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Advances to vendors (Unsecured)				
	Considered good	558.30		745.13	
	Considered doubtful	249.64		119.33	
	(Less): Provision for doubtful advances	(249.64)	558.30	(119.33)	745.13
	Sundry Deposits (Unsecured)				
	Considered good	163.20		101.82	
	Considered doubtful	13.68		2.36	
	(Less): Provision for doubtful deposits	(13.68)	163.20	(2.36)	101.82
	Others				
	GST Credit	506.94		-	
	Prepaid expenses	14.89		28.38	
	Deferred Payroll expense	19.71		23.63	
	Consumable Stores (valued at cost)	1.17	542.71	3.16	55.17
			1,264.21		**902.12**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

17. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

		As at March 31, 2018		As at March 31, 2017
Authorized				
50,000 (50,000) equity shares of Rs. 100/- each		50.00		50.00
Issued, Subscribed & Fully paid-up				
25,000 (25,000) equity shares of Rs. 100/- each		25.00		25.00
		25.00		**25.00**

17.1 **Reconciliation of shares outstanding**

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the year	25,000	25.00	25,000	25.00
Add: Issued during the year	-	-	-	-
At the end of the year	**25,000**	**25.00**	**25,000**	**25.00**

17.2 **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 (now Section 8 of Companies Act, 2013), 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.

17.3 **Details of Shareholder holding more than 5% shares**

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% age	No. of shares	% age
Equity Shares of Rs. 100/- each fully paid Government of India (2 shares held by nominee shareholders)	25,000	100	25,000	100

18. OTHER EQUITY

(Rs. in Lakhs)

	As at March 31, 2018		As at March 31, 2017	
Capital Reserves				
Promoter's Contribution for infrastructural facilities (Refer Note 18.1)	4,965.62		4,965.62	
(Less): Transfer to Retained Earnings	(4,965.62)	-	-	4,965.62
Promoter's Contribution for investment in KTPO (Refer Note 18.2)	1,325.22		1,325.22	
(Less): Transfer to Retained Earnings	(305.22)	1,020.00	-	1,325.22
Others (Refer Note 18.3)		18.10		18.10
Retained Earnings				
As per the last account	176,623.06		159,731.25	
Add: Transfer from capital reserve	5,270.84		-	
Add: Surplus for the year	13,462.11		17,110.02	
Add: Remeasurement gain/(loss) of defined benefit plans	6.81	195,362.81	(218.21)	176,623.06
Total		**196,400.91**		**182,932.00**

18.1 The Promoter's contribution received in earlier years for creation of infrastructural facilities in Pragati Maidan complex has been transferred to Retained Earnings since the corresponding assets have been majorly demolished due to the ongoing IECC project.

18.2 Subordinate debts to KTPO was recovered in July 2018, consequently, the amount of Rs. 305.22 lakhs of the Promoter's contribution has been transferred to Retained Earnings.

18.3 Represents excess of assets over liabilities of organisations merged with the Company in earlier years.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

19. NON- CURRENT PROVISIONS

(Rs. in Lakhs)

		As at March 31, 2018	As at March 31, 2017
	Provision for employee benefits		
	Leave Encashment (Refer Note 31.10)	2,191.69	2,417.57
		2,191.69	**2,417.57**

20. OTHER NON-CURRENT LIABILITIES

(Rs. in Lakhs)

		As at March 31, 2018	As at March 31, 2017
	Advance received from customers	815.65	853.54
		815.65	**853.54**

21. TRADE PAYABLES

(Rs. in Lakhs)

		As at March 31, 2018	As at March 31, 2017
	Total outstanding dues of Micro, Small and Medium Enterprises (Refer Note 21.1)	-	-
	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	1,698.93	2,007.86
		1,698.93	**2,007.86**
21.1	There are no Micro, Small & Medium Enterprises to whom the Company owes dues as at 31st March 2018. 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.		

22. OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

		As at March 31, 2018	As at March 31, 2017
	Employees' benefits payable	169.27	143.14
	Security deposits	1,008.13	1,053.65
	Refund due to customers	2,022.44	2,383.43
	Other payables	759.10	567.98
		3,958.94	**4,148.20**

23. OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

		As at March 31, 2018	As at March 31, 2017
	Advance received from customers	2,519.81	2,695.28
	Statutory Liabilities	1,034.20	768.62
		3,554.01	**3,463.90**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

24. CURRENT PROVISIONS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Provision for Employees' Benefits				
	-Gratuity (Refer Note 31.10)	1,734.56		1,605.98	
	-Leave Encashment (Refer Note 31.10)	366.07		290.72	
	-Performance Related Pay (Refer Note 24.1)	3,264.00		3,264.00	
	-Pension Fund	725.26		2,631.14	
	-Pay revision	2,022.00	8,111.89	442.00	8,233.84
	Others				
	-Provision for refund of contingency charges		109.56		114.21
			8,221.45		**8,348.05**
	Movement of Provisions:				
	Particulars	As at April 1, 2017	Amount utilised during the year	Provision made during the year	As at March 31, 2018
	Performance Related Pay	3,264.00	-	-	3,264.00
	Pension Fund	2,631.14	(2,041.69)	135.81	725.26
	Pay revision	442.00	-	1,580.00	2,022.00

24.1 The provision of Rs. 3,264.00 lakhs (Previous year: Rs. 3,264.00 lakhs) towards Performance Related Pay (PRP) has been made by the Company during 1.4.2007 to 31.03.2017 in accordance with the guidelines of Department of Public Enterprises (DPE) on revision of pay scales as per 2nd Pay Revision Commission (2nd PRC). Pending approval of PRP by the competent authority, ad-hoc payments amounting to Rs. 1574.49 lakhs (Previous Year Rs. 1569.92 lakhs), net of recoveries from retired employees, were released to the employees with the approval of the Board of Directors as 'Interest free advances' against undertakings obtained from the employees to refund/ adjust the advance as per the decision of the competent authority.

The PRP interest free advance for the year 2017-18 is not under consideration by the Competent Authority in view of the huge expenditure to be incurred in the ongoing IECC project. The company has not therefore made any provision towards PRP for the year 2017-18.

25. REVENUE FROM OPERATIONS

(Rs. in lakhs)

			For the year ended 31.03.2018		For the year ended 31.03.2017
	Sale of Services				
	Space Rent	21,220.60		23,197.77	
	Government Grant- Revenue	1,295.72		621.85	
	Receipts towards electricity & water charges	1,064.25		1,069.16	
	Receipts towards other services	253.80		364.62	
	Hoardings	298.04		228.04	
	Branding/ Sponsorship	3.27	24,135.68	119.24	25,600.68
	Other Operating Revenue				
	Sale of Entry Tickets / Seasonal Passes	517.85		641.09	
	Subscriptions	34.55		9.48	
	Advertisement- Publications	57.14		57.48	
	Sale of Publications	2.77	612.31	5.60	713.65
			24,747.99		**26,314.33**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

26. OTHER INCOME

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
	Interest Income from				
	-Bank deposits & Saving bank accounts	8,359.20		11,124.28	
	-Inter- corporate deposits	1,630.56		603.83	
	-Loan to employees	76.41		90.66	
	-Others	1.95	10,068.12	1.38	11,820.15
	Dividend from Mutual Funds		9.23		5.59
	Rent (Refer Note 31.2)		267.15		196.85
	Other non-operating income				
	Profit/ (Loss) on Sale of Property, Plant & Equipment	54.68		(27.98)	
	Liabilities/Provisions no longer required, written back	172.00		141.98	
	Miscellaneous Income (Refer Note 26.1)	635.80	862.48	555.47	669.47
			11,206.98		**12,692.06**
26.1	Unrecognized penalty of Rs. 0.40 lakh (Cumulative upto 31.03.2018 - Rs. 773.13 lakhs) due to cancellation of events by the third party organisers has not been recognized as income and the same shall be accounted for in accordance with the Ind AS-18 as and when the amount is recovered/adjusted.				

27. EMPLOYEES' BENEFITS EXPENSE

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
	Salaries & Wages				
	Salaries, Wages & Allowances (Refer Note 27.1)	5,572.50		5,800.37	
	Other Perks & Allowances	978.78		1,027.43	
	Performance Related Pay (Refer Note 24.1)	-		184.00	
	Provision for Pay Revision (Refer Note 27.2)	1,580.00	8,131.28	442.00	7,453.80
	Contribution to Provident & Other Funds				
	Contribution to Provident Funds (Refer Note 31.10)	567.22		569.83	
	Contribution to Pension Funds (Refer Note 31.10)	451.65		306.14	
	Gratuity (Refer Note 31.10)	332.69		1,387.85	
	Leave Encashment (Refer Note 31.10)	462.70		790.99	
	Contribution to Other Funds	10.39	1,824.65	10.88	3,065.69
	Staff Welfare expenses				
	Medical expenses	381.44		333.89	
	Compensation for deceased employees	133.66		102.56	
	Other Staff Welfare Expenses	130.28	645.38	151.76	588.21
			10,601.31		**11,107.70**
27.1	Includes Rs. 17.59 lakhs (Previous year Rs. 106.76 lakhs) on account of ex-gratia under the Voluntary Retirement Scheme.				
27.2	As per guidelines of DPE vide OM dated 03.08.2017 & 04.08.2017 and ITPO office orders dated 05.06.2018 & 02.07.2018.				

28. DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
	Depreciation on Property, Plant & Equipment		385.63		456.02
	Amortization of Other Intangible Assets		28.43		7.07
			414.06		**463.09**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

29. OTHER EXPENSES

(Rs. in Lakhs)

	For the year ended 31.03.2018		For the year ended 31.03.2017	
Expenses related to sale of services				
Participation Charges		1,885.33		2,001.96
Construction & Interior Decoration		2,118.65		1,361.70
Publicity		485.51		559.07
Freight, Packing & Handling		48.92		38.26
Cultural Programmes & Fashion Shows		25.34		8.20
Interpreter wages		59.22		15.92
Travelling & Conveyance [includes Rs. 30.69 lakhs (Previous Year Rs. 16.25 lakhs) in respect of Directors]		320.67		290.01
Foreign Delegation		15.40		6.50
Difference in Exchange (net)		0.33		38.31
Other Operating Expenses				
Advertisement Expenses		53.04		50.49
Entertainment [includes through Directors Rs. 1.20 lakhs (Previous Year Rs. 0.93 lakh)]		50.37		42.56
Commission		97.86		234.62
Electricity Charges		1,214.19		1,338.52
Water Charges		278.68		335.27
Maintenance of Pragati Maidan				
-Civil [includes Repairs to Buildings Rs. 5.54 lakhs in Previous Year]	149.40		213.35	
-Electrical	768.52		785.34	
-Horticulture	85.99		134.96	
-Conservancy Arrangements	254.28	1,258.19	319.73	1,453.38
Vehicle Maintenance	29.03		32.21	
(Less): Recoveries	(0.08)	28.95	(0.09)	32.12
Other Administrative Expenses				
Repairs, Renewals & Maintenance		181.44		586.13
Security Expenses		691.03		720.22
Postage, Telegrams & Telephones		41.87		50.28
Insurance		9.17		5.90
Legal & Professional Charges		50.94		128.80
Seminar & Training		13.35		13.51
Books & Periodicals		19.33		19.08
Printing & Stationery		67.58		88.51
Corporate Social Responsibility Expenses (Refer Note 31.13)		333.67		292.75
Rates & Taxes	324.45		243.86	
(Less): Recoveries	(3.26)	321.19	(9.14)	234.72
Rent	31.37		10.66	
(Less): Recoveries	(1.40)	29.97	(1.40)	9.26
Fair value loss/ (gain) on mutual funds		2.88		(8.37)
Interest paid on delayed taxes/ grant		2.83		15.30
Provision for impairment loss on Investments in JV		13.53		33.89
Provisions/Write Offs		136.65		148.31
Sitting Fees to Directors		2.20		1.30
Auditor's Remuneration				
-Audit Fee	4.00		5.00	
-Tax Audit Fee	1.00	5.00	1.00	6.00
Other Miscellaneous Expenses		235.82		173.11
		10,099.10		**10,325.59**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

30. EXCEPTIONAL ITEMS

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017
	(Loss)/ Profit on demolition on building for IECC project (Refer Note 3.5)	(1,378.39)		-
		(1,378.39)		**-**

31. OTHER NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Lakhs)

31.1	**CONTINGENT LIABILITIES AND COMMITMENTS**		**As at March 31, 2018**		**As at March 31, 2017**
	Contingent Liabilities (Refer Note 31.1.1)				
	Claims against the Company not acknowledged as debts - Disputed liability not adjusted as expenses in the accounts for various years being in appeal towards:				
	Income Tax (also refer Note 31.4)	182.81		185.89	
	Service Tax (amount deposited Rs. 881.31 lakhs)	1,022.45		1,022.45	
	Employee Provident Fund (amount deposited Rs. 100.00 lakhs)	1,695.57		1,695.57	
	Entertainment Tax	415.18		398.01	
	ESI	228.81	3,544.82	-	3,301.92
	Others - for which the company is contingently liable		2,310.00		2,146.84
			5,854.82		**5,448.76**
	Capital Commitments				
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		**210,756.63**		**1,531.50**

31.1.1 The Company is contesting these demands and the management including its advisors are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of above contingent liabilities and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending the decisions of the competent authorities.

31.2 **NSC & CRAFTS MUSEUM**

Land and Development Office (L&DO), Ministry of Urban Development has leased out 123.51 acres of land for Pragati Maidan complex to the Company on perpetual lease of 99 years on 7th March 2011 out of which the combined area of 7.2623 acres is under the occupation of two Government Departments i.e. Crafts Museum and National Science Centre without a lease agreement. Cumulative rent of Rs. 9,982.57 lakhs (Previous year: Rs 9,335.99 lakhs) is not being paid and contested by them.

In view of uncertainty in realization of same, the rental income is not recognized in accordance with Ind AS-18. Further, the expenditure incurred on annual ground rent, paid to L&DO, is borne by the Company as the lease deed for the entire area is in the name of the Company.

31.3 In the opinion of the management, the value of assets other than Property, Plant and Equipment, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

31.4 **INCOME TAX MATTERS**

A. Exemption of Income

The Director General of Income Tax (Exemptions) had withdrawn the Income-tax exemption, granted to ITPO under section 10(23C)(iv) of the Income Tax Act, 1961, since Assessment year 2009-10 onwards as per the amended proviso of Section 2(15) of the Income Tax Act, 1961 effective from 01.04.2008.

The Company had contested the withdrawal of exemption before the Hon'ble High Court of Delhi and got a favourable judgment on 22.01.2015 and accordingly the Chief Commissioner of Income Tax (Exemptions) vide order dated 02.03.2015 restored the aforesaid Income-tax exemption w.e.f. Assessment year 2009-10 onwards.

The Income Tax department has since filed a Special Leave Petition SLP (C) no. 9284 of 2017 before the Hon'ble Supreme Court against the order of the Hon'ble High Court of Delhi. The prayer of the Income Tax department for interim relief/ stay of operation of the judgment passed by the Hon'ble High Court of Delhi was not accepted by the Hon'ble Supreme Court and the matter has been tagged with other SLPs pending before Hon'ble Supreme Court on similar matters and the date of hearing is yet to be fixed.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Even though the matter of exemption is pending before the Hon'ble Supreme Court, the management is of the view that since the income-tax exemption has been restored by the Hon'ble High Court of Delhi, no provision for income-tax, interest and penalties is considered necessary from Assessment year 2009-10 onwards.

B. Demand for Income Tax

During the intervening time period, the Income Tax department passed the orders for the assessment years 2009-10 to 2011-12 denying the exemption u/s 10(23C)(iv) and raised demand of Rs. 15,589.86 lakhs against which Rs. 1319.00 lakhs was deposited under protest. Further, TDS refunds of Rs. 11,467 lakhs upto Assessment year 2015-16 have been withheld by the department. Appeals filed by the Company with CIT (Appeals) against the demands raised by the Income Tax department for the assessment years 2009-10 to 2011-12 were decided in favour of the Company against which the Income tax department has filed appeal with Income Tax Appellate Tribunal (ITAT) Delhi.

The TDS refunds of Rs. 11,467.00 lakhs and Rs. 1,319.00 lakhs paid by the Company aggregating to Rs. 12,786.00 lakhs have been reflected in the accounts under the head "Income Tax Recoverable" in Note 8 and have been considered good for recovery as at 31.03.2018 except to the extent of Rs. 426.00 lakhs.

31.5 **DEFERRED TAX ASSET/ LIABILITY**

In view of the income of ITPO being held to be exempt under section 10(23C)(iv) of the Income Tax Act, 1961 as per the order of the Hon'ble High Court of Delhi and in view of the management the SLP filed by Income tax department is likely to be in their favour hence the deferred tax assets/ liabilities have not been recognized.

31.6 **CONFIRMATION OF BALANCES**

Balances appearing under Trade Receivables, Loans & Advances, Trade Payables and other parties etc. are subject to reconciliation/ confirmation. The impact, if any, subsequent to the confirmation/ reconciliation will be taken in the year of confirmation/ reconciliation.

31.7 **INTERNATIONAL EXHIBITION CUM CONVENTION CENTRE (IECC) PROJECT**

a) International Exhibition cum Convention Centre (IECC) project for redevelopment of Pragati Maidan complex was approved by the Government of India (GOI) in the Cabinet Committee of Economic Affairs (CCEA) meeting held on 24.1.2017 at a cost of Rs. 2,25,400 lakhs, since revised to Rs. 2,69,851 lakhs. The project, as per approval, will be funded from Company's resources of Rs. 1,20,000 lakhs and balance by term loan from bank secured by Guarantee from the Government of India .

b) The Cabinet has further approved on 13.6.2018, the waiver of demand of Rs. 9663.42 lakhs raised by L&DO on 21.4.2017 in connection with IECC project.

c) Further, the Cabinet on 13.6.2018 has also approved monetization of 3.70 acres of land at Pragati Maidan complex for construction and operation of a hotel by a third party including private sector to finance the project and accordingly the loan from bank will stand reduced to that extent.

d) The Cabinet has also in its meeting on 13.06.2018 approved the waiver of unearned increase/ premium payable to L&DO on account of transfer of land to a third party for the hotel.

e) NBCC, a Public Sector Undertaking, has been appointed as the Project Management Consultant (PMC) for the project and an agreement has been entered into with the NBCC.

f) The work done by NBCC and booked as per the agreement of Rs. 28,397.05 lakhs up to 31.03.2018 has been shown as Capital Work-in-Progress in Note No. 3, advance of Rs. 32,022.54 lakhs paid for the project has been shown under Capital Advances in Note 9. Consequently against the approved cost of Rs 2,69,851 lakhs amount of Rs. 2,09,431.41 lakhs is included as Capital Commitments for the project in Note 31.1.

31.8 **SERVICE TAX MATTERS**

a) Service Tax demand of Rs. 1,087.95 lakhs for the period 2006-07 to 2009-10 comprising service tax of Rs. 1,064.27 lakhs and interest of Rs. 23.68 lakhs was raised on the Company by Commissioner of Service Tax. The said demand was contested and The Commissioner of Customs and Central Excise vide order dated 22.01.2015 revised the demand to Rs. 410.41 lakhs and restricted penalty to Rs. 410.41 lakhs and Rs. 0.10 lakh & interest till the date of payment with the condition that penalty amount would stand waived by 75% in case payment is made within 30 days.

An appeal against the aforesaid order was filed before CESTAT on 24.04.2015, modified appeal has been filed on 09.02.2017 on the directions of CESTAT. In the meanwhile, the Company deposited the service tax of Rs. 410.41 lakhs, penalty of Rs. 102.70 lakhs and interest of Rs. 368.20 lakhs aggregating to Rs. 881.31 lakhs on 25.02.2015, under protest and the amount has been reflected in the accounts under the head "Service Tax Recoverable" in Note 9.

b) Further, the following demand cum show cause notices for service tax (interest and penalties not quantified) were served by the Service Tax department for the undernoted years:

(Rs. in lakhs)

Year	Amount
2011-12	42.77
2012-13	51.68
2013-14	46.69
Total	141.14

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

The Company based on the expert opinion, considers that the various matters above, on which the demands/ demand-cum-show cause notices were served, does not fall within the ambit of service tax.

The demands at a) and b) above have been contested by the Company with the respective authorities and accordingly no provision for the aforesaid demands aggregating to Rs. 1,022.45 lakhs have been considered necessary in the accounts as at 31.03.2018. However, this demands of Rs. 1,022.45 lakhs have been shown as a Contingent Liability in Note 31.1.

31.9 **LEASES**

The Company's significant leasing arrangements are in respect of operating leases relating to its leased office premises and properties. These lease arrangements which are cancellable, are generally renewable by mutual consent. The aggregate lease rental income and lease rent paid are disclosed in Note 26 and 29 respectively.

31.10 **EMPLOYEES' BENEFITS**

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

I. **Defined Contribution Plans**

Provident Fund

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

Pension Fund

The Company is under obligation to contribute specified amounts towards the Superannuation benefit of the employees to the ITPO Employees Defined Contribution Superannuation Trust. 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 recognizes such shortfall as its expense.

Expense charged to the statement of Income & Expenditure as employer's contribution to these funds during the year is as under:

	2017-18	2016-17
Employer's contribution towards Provident Fund	567.22	569.83
Employer's contribution towards Pension Fund	451.65	306.14
	1,018.87	875.97

II. **Defined Benefits Plans**

Gratuity

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

i. Expenses recognized in the statement of Income and Expenditure **(Rs. in Lakhs)**

	2017-18	2016-17
Net Interest cost	113.87	20.59
Service cost	218.83	1,367.18
Expenses recognized in the statement of Income & Expenditure Account	332.69	1,387.77
Remeasurements:		
Opening unrecognized Actuarial Gain/ (loss)	(190.62)	27.59
Actuarial gain/ (loss) for the year due to change in:	5.05	(1.79)
-Demographic Assumption	-	-
-Financial Assumption	(110.76)	(196.81)
-Experience Assumption	112.52	(19.61)
OCI recognized for the year	6.81	(218.21)
Net actuarial gain/(loss) unrecognized in OCI at the end of the year	(183.81)	(190.62)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

ii. The amount recognized in the Balance Sheet **(Rs. in Lakhs)**

	As at March 31, 2018	As at March 31, 2017
Present value of the obligation at end of the year	6,267.58	5,914.22
Fair value of plan assets at end of period	4,543.02	4,277.14
Net liability recognized in Balance Sheet and related analysis	1,724.56	1,637.09
Funded/ (unfunded) Status	(1,724.56)	(1,637.09)

iii. Changes in the Present Value of Obligations: **(Rs. in Lakhs)**

	2017-18	2016-17
Present value of the obligation at the beginning of the year	5,914.22	4,380.20
Difference in Opening	30.76	89.43
Acquisition in	11.51	6.87
Interest cost	419.72	357.57
Service cost	218.83	1,367.18
Benefits paid	(325.70)	(503.45)
Actuarial (gain)/loss	(1.76)	216.42
Present value of the obligation at the end of the year	6,267.58	5,914.22

iv. Maturity Profile: (Rs. in Lakhs)

Year	As at March 31, 2018	As at March 31, 2017
0 to 1 Year	1,033.55	720.76
1 to 2 Year	869.44	1,149.03
2 to 3 Year	524.07	563.54
3 to 4 Year	425.92	537.88
4 to 5 Year	458.70	512.29
5 to 6 Year	478.94	548.42
6 Year onwards	2,476.96	1,882.30

v. Sensitivity Analysis of the defined benefit obligation: (Rs. in Lakhs)

	2017-18	2016-17
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the year	6,267.58	5,914.22
a) Impact due to increase of 0.50 %	(340.69)	(137.74)
b) Impact due to decrease of 0.50 %	66.20	143.68
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the year	6,267.58	5,914.22
a) Impact due to increase of 0.50 %	(80.06)	139.74
b) Impact due to decrease of 0.50 %	(332.74)	(136.14)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

vi. The assumptions employed for the calculations are tabulated below:

	As at March 31, 2018	As at March 31, 2017
Discount rate	7.60% per annum	7.06% per annum
Salary Growth Rate	6.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

vii. Expected contribution for the next Annual reporting period (Rs. in Lakhs)

	2017-18	2016-17
Service Cost	232.89	229.49
Net Interest Cost	131.07	112.34
Expected Expense for the next annual reporting period	363.95	341.83

viii. Major categories of plan assets (as percentage of total plan assets)

	As at March 31, 2018	As at March 31, 2017
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds Managed by Insurer	100%	100%
Bank Balance	-	-
Total	100%	100%

ix. Change in Fair Value of Plan Assets (Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets at the beginning of the period	4,277.14	4,212.24
Difference in Opening Fund	54.99	-
Actual return on plan assets	320.64	335.19
Less- FMC Charges	(9.75)	-
Employer contribution	225.70	233.16
Benefits paid	(325.70)	(503.45)
Fair value of plan assets at the end of the period	4,543.02	4,277.14

III. **Other Long Term Employee Benefits**

Leave Encashment

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

i. Expenses recognized in the statement of Income and Expenditure (Rs. in Lakhs)

	2017-18	2016-17
Interest cost	191.21	180.16
Service cost	103.78	113.63
Net actuarial (gain)/loss recognized in the period	169.84	497.21
Expenses recognized in the statement of Income and Expenditure	464.83	790.99

ii. The amount recognized in the Balance Sheet (Rs. in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Present value of the obligation at end of the year	2,557.76	2,708.29
Net liability recognized in Balance Sheet and related analysis	2,557.76	2,708.29
Unfunded Status	(2,557.76)	(2,708.29)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

iii. Changes in the present value of the Present Value of Defined Benefit Obligations: (Rs. in Lakhs)

	2017-18	2016-17
Present value of the obligation at the beginning of the year	2,708.30	2,289.77
Difference in Opening	-	22.89
Acquisition in	4.77	10.15
Interest cost	191.21	180.16
Service cost	103.78	113.63
Benefits paid	(620.13)	(405.52)
Actuarial (gain)/loss from change in:		
-Demographic Assumption	-	-
-Financial Assumption	57.63	84.82
-Experience Assumption	112.21	412.38
Present value of the obligation at the end of the year	2,557.76	2,708.30

iv. Maturity Profile: (Rs. in Lakhs)

Year	**As at March 31, 2018**	**As at March 31, 2017**
0 to 1 Year	366.07	290.72
1 to 2 Year	355.56	349.59
2 to 3 Year	233.49	341.41
3 to 4 Year	284.17	222.89
4 to 5 Year	204.48	276.63
5 to 6 Year	228.22	188.92
6 Year onwards	885.78	1,038.14

v. Sensitivity Analysis of the defined benefit obligation: (Rs. in Lakhs)

	2017-18	2016-17
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the year	2,557.76	2,708.30
a) Impact due to increase of 0.50 %	(60.02)	(58.70)
b) Impact due to decrease of 0.50 %	62.77	61.45
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the year	2,557.76	2,708.30
a) Impact due to increase of 0.50 %	63.43	62.38
b) Impact due to decrease of 0.50 %	(61.19)	(60.10)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

vi. Bifurcation of PBO at the end of year in current and non current (Rs. in Lakhs)

	2017-18	2016-17
Current liability (Amount due within one year)	366.07	290.72
Non-Current liability (Amount due over one year)	2,191.69	2,417.57
Total PBO at the end of year	2,557.76	2,708.29

vii. The assumptions employed for the calculations are tabulated below:

	As at March 31, 2018	**As at March 31, 2017**
Discount rate	7.60% per annum	7.06% per annum
Salary Growth Rate	6.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

31.11	EARNINGS PER SHARE	As at March 31, 2018	As at March 31, 2017
	Surplus for the year (Rs. in lakhs)	13,462.11	17,110.02
	Equity shares (Nos.)	25,000	25,000
	Nominal value per share (Rs.)	100.00	100.00
	Earnings per share (Basic/ Diluted) (Rs. in lakhs)	0.54	0.68

31.12 RELATED PARTY DISCLOSURES

(a) INTEREST IN SUBSIDIARIES

Name of Companies	Principal Place of Operation	Principal Activities	Proportion Of Ownership Interest	
			31.03.2018	31.03.2017
Tamilnadu Trade Promotion Organisation (TNTPO)	India	Trade Promotion	51%	51%
Karnataka Trade Promotion Organisation (KTPO)	India	Trade Promotion	51%	51%

(b) INTEREST IN JOINT VENTURE

Name of Company	Principal Place of Operation	Principal Activities	Proportion Of Ownership Interest	
			31.03.2018	31.03.2017
National Centre for Trade Information (NCTI)	India	Trade Information	50%	50%

(c) LIST OF OTHER RELATED PARTIES

Name of Related Parties	Principal Place of Operation	Nature of relationship
ITPO Employees Contributory Provident Fund Trust	India	Post -Employment Benefit Plan of employees
ITPO Employees Group Gratuity Fund Trust	India	Post- Retirement Benefit Plan of employees
ITPO Employees Defined Contribution Superannuation Trust	India	Post- Retirement Benefit Plan of employees

(d) KEY MANAGEMENT PERSONNEL

Name	Position held
Sh. L C Goyal	Chairman & Managing Director
Sh. Rajneesh (till 24.05.2017)	Executive Director
Sh. Deepak Kumar (w.e.f. 25.05.2017)	Executive Director
Sh. J K Dadoo	Nominee Director
Sh. Manoj Joshi	Nominee Director
Sh. Sanjay Chadha	Nominee Director
Sh. K Nagaraj Naidu	Nominee Director
Sh. P N Vijay	Independent Director
Sh. D M Sharma	CFO
Sh. S R Sahoo	Company Secretary

Note: Related Parties and their relationship is as identified by the Company

(e) COMPENSATION FOR KEY MANAGEMENT PERSONNEL

	Name Of Person	Designation	Salary & Allowances	Perks	Total Remuneration
1	Sh. L C Goyal	Chairman & Managing Director	14.14	9.60	23.74
2	Sh. Deepak Kumar	Executive Director	22.64	0.95	23.59
3	Sh. P N Vijay- Sitting Fees of Rs. 2.20 lakh (Refer Note 29)	Independent Director	-	-	-
4	Sh. D M Sharma	CFO	25.09	-	25.09
5	Sh. S R Sahoo	Company Secretary	19.83	0.01	19.84

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

(Rs. in lakhs)

(f)	TRANSACTIONS WITH RELATED PARTIES	2017-18	2016-17
	Tamilnadu Trade Promotion Organisation		
	Services received by the Company	123.63	137.23
	Services rendered by the Company	8.13	-
	ITPO Employees Contributory Provident Fund Trust		
	Contribution by the Company	1,913.20	569.83
	ITPO Employees Group Gratuity Fund Trust		
	Contribution by the Company	215.70	1,387.85
	ITPO Employees Defined Contribution Superannuation Trust		
	Contribution by the Company	2294.65	-

(g)	OUTSTANDING BALANCES WITH RELATED PARTIES		(Rs. in lakhs)
	Particulars	**31.03.2018**	**31.03.2017**
(i)	**Balances with Subsidiaries**		
	Tamilnadu Trade Promotion Organisation		
	Payable by company	41.06	182.31
	Receivable by the company	0.03	121.48
	Karnataka Trade Promotion Organisation		
	Payable by company	-	-
	Receivable by the company	773.80	1,794.98
(ii)	**Balances with Joint Venture (NCTI)**		
	Payable by company	14.57	16.60
	Receivable by the company	247.33	260.93
	Provision for Doubtful debts	54.48	54.48
(iii)	**Payable by Company**		
	ITPO Employees Contributory Provident Fund Trust	15.76	NIL
	ITPO Employees Group Gratuity Fund Trust	1,724.56	1,607.53
(iv)	**Receivable by Company**		
	ITPO Employees Defined Contribution Superannuation Trust	0.01	-

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

31.13 **CORPORATE SOCIAL RESPONSIBILITY**

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been constituted by the Company. The amount of Rs. 360.64 lakhs is payable towards CSR expenses based on average net profit (calculated as per section 198 of the Companies Act, 2013) of the preceeding three financial years. The details of the amount spent/pending to be spent during the year is as under:

(Rs. in lakhs)

	Amount spent in cash during the year ended 31 March, 2018	Amount yet to be paid in cash as at 31 March, 2018	Total Amount
- Gross amount lying pending for the earlier year as at 01.04.2017			**329.42**
- Gross amount required to be spent during the year			**360.64**
- Amount spent during the year			
a. Construction/ acquisition of assets	-	-	-
b. Contribution to various Government departments/NGO/Trust etc. for the following social sectors:			
- Sanitation	200.00	-	200.00
- Health Care	-	30.00	30.00
- Education	-	5.00	5.00
- Social Welfare	53.27	10.40	63.67
- Art & Culture	5.00	-	5.00
- Women Funds	8.00	22.00	30.00
	266.27	**67.40**	**333.67**
- Gross amount lying pending as at 31.3.2018			**356.39**

31.14 **Financial Instruments - Fair Values Measurement and Financial Risk Management**

I **Fair Value Measurements**

(Rs. in Lakhs)

A. Financial Instruments by Category	As at 31 March 2018		As at 31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Non-current assets				
Investments	-	-	-	-
Loans	-	521.22	-	1,392.67
Current assets				
Investments	78.75	-	72.40	-
Trade receivables	-	936.18	-	870.26
Cash and cash equivalents	-	3,709.16	-	3,571.50
Bank balances other than cash and cash equivalents	-	90,101.00	-	143,599.99
Loans	-	2,953.27	-	2,002.16
Other Financial assets	-	30,715.04	-	12,326.79
	78.75	**128,935.87**	**72.40**	**163,763.37**
Financial Liabilities				
Trade payables	-	1,698.93	-	2,007.86
Other financial liabilities	-	3,958.94	-	4,148.20
	-	**5,657.87**	**-**	**6,156.06**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

B. **Fair Value Hierarchy**

This explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b)measured at amortised cost and for which fair values are disclosed in the financial statements.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level-2.
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is given in the table below.

Financial assets and liabilities measured at fair value-recurring fair value measurements (Rs. in Lakhs)

	As at 31 March 2018			As at 31 March 2017		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets						
measured at FVTPL						
Investments in Mutual Funds	78.75	-	-	72.40	-	-
Total Financial Assets	**78.75**	**-**	**-**	**72.40**	**-**	**-**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **(Rs. in Lakhs)**

	As at 31 March 2018			As at 31 March 2017		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets						
Non-current assets						
Investments	-	-	-	-	-	-
Loans	-	-	521.22	-	-	1,392.67
Current assets						
a) Trade Receivables	-	-	936.18	-	-	870.26
b) Cash and Cash Equivalents	-	-	3,709.16	-	-	3,571.50
c) Bank Balances other than Cash and Cash Equivalents	-	-	90,101.00	-	-	143,599.99
d) Loans			2,953.27			2,002.16
e) Other Financial assets	-	-	30,715.04	-	-	12,326.79
	-	**-**	**128,935.87**	**-**	**-**	**163,763.37**
Financial Liabilities						
Trade payables	-	-	1,698.93	-	-	2,007.86
Other financial liabilities	-	-	3,958.94	-	-	4,148.20
Total Financial Liabilities	-	**-**	**5,657.87**	-	**-**	**6,156.06**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

C. **Fair Value of financial assets and liabilities measured at amortised cost:** **(Rs. in Lakhs)**

	As at 31 March 2018		As at 31 March 2017	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets				
Non-current assets				
Investments	-	-	-	-
Loans	521.22	521.22	1,392.67	1,392.67
Current assets				
a) Trade Receivables	936.18	936.18	870.26	870.26
b) Cash and Cash Equivalents	3,709.16	3,709.16	3,571.50	3,571.50
c) Bank Balances other than Cash and Cash Equivalents	90,101.00	90,101.00	143,599.99	143,599.99
d) Loans	2,953.27	2,953.27	2,002.16	2,002.16
e) Other Financial assets	30,715.04	30,715.04	12,326.79	12,326.79
	128,935.87	**128,935.87**	**163,763.37**	**163,763.37**
Financial Liabilities				
Trade Payables	1,698.93	1,698.93	2,007.86	2,007.86
Other Current Financial Liabilities	3,958.94	3,958.94	4,148.20	4,148.20
	5,657.87	**5,657.87**	**6,156.06**	**6,156.06**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances, other current financial assets and liabilities are considered to be the same as their fair value, due to their short term nature.

The fair value of loans were calculated based on cash flows using MCLR/ base rate of SBI. They are classified as level 3 fair values in their fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

D. **Financial risk management**

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds investment in mutual funds. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises Foreign Currency Risk and Interest rate risk. Financial instruments affected by market risk includes trade receivables and trade payables.

(i) Foreign Currency Risk

The company operated internationally and is exposed to insignificant foreign currency risk arising from foreign currency transactions, Company does not hedge any foreign currency risk for foreign currency transactions.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Foreign currency exposures that are not hedged by derivative instruments are given below: **(Rs. In Lakhs)**

Foreign Currency (FC)	**Note no.**	**Currency Symbol**	**As at 31st March, 2018**	
			FC	**INR**
Assets				
CASH & CASH EQUIVALENTS	12			
Balances with Banks- Current & Savings account				
Yen		¥	7.9215	4.77
United States Dollar		$	0.0605	3.89
Cash on hand				
Euro		€	0.0307	2.41
Yen		¥	1.6887	1.02
United States Dollar		$	0.0194	1.25
OTHER CURRENT ASSETS	16			
Advances to vendors (Unsecured)				
Yen		¥	12.9895	7.82
Euro		€	2.6355	207.59
Euro		€	0.0668	5.26
United States Dollar		$	1.0606	68.20
United States Dollar		$	0.0500	3.22
Deutche Mark		DEM	0.0438	2.98
Sundry Deposits (Unsecured)				
United States Dollar		$	0.0141	0.91
Malaysian Ringgit		MYR	0.0035	0.06
Liabilities				
TRADE PAYABLES	21			
Euro		€	1.1776	94.79
Net Assets (in INR)				**214.59**

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes deposits with banks and Inter corporate deposits with NBFC's etc. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(i) Provision for Expected Credit Losses

As at 31st March 2018

a) Expected Credit Loss for Trade Receivables under simplified Approach

Ageing	**< 6 M**	**> 6 < 12**	**> 12 < 24**	**> 24 < 36**	**> 36**	**Total**
Gross Carrying Amount	543.21	63.72	129.89	79.43	1,358.80	2,175.05
Expected Credit rate	0.00%	0.00%	0.00%	0.00%	91.17%	56.96%
Expected Credit losses (Loss provision Allowance)	-	-	-	-	-1,238.87	-1,238.87
Gross Carrying Amount of Trade Receivables	**543.21**	**63.72**	**129.89**	**79.43**	**119.93**	**936.18**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

b) Expected Credit Loss for loans and investments

Particulars		**Assets Group**	**Carrying Value**	**Expected Probability of Default**	**Expected credit Loss**	**Carrying Amount Net of Expected credit Loss**
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Grant Recoverable from Government of India	732.82	2.93%	21.47	711.35
		Due in Respect of Deposit Work	91.75	45.48%	41.73	50.02
			824.57	**0.48**	**63.20**	**761.37**

As at 31st March 2017

a) Expected Credit Loss for Trade Receivables under simplified Approach

Ageing	**< 6 M**	**> 6 < 12**	**> 12 < 24**	**> 24 < 36**	**> 36**	**Total**
Gross Carrying Amount	417.31	228.75	134.74	83.90	1,448.81	2,313.51
Expected Credit rate	0.00%	0.00%	0.00%	0.00%	99.62%	62.38%
Expected Credit losses (Loss provision Allowance)	-	-	-	-	-1,443.25	-1,443.25
Gross Carrying Amount of Trade Receivables	**417.31**	**228.75**	**134.74**	**83.90**	**5.56**	**870.26**

b) Expected Credit Loss for loans and investments

Particulars		**Assets Group**	**Carrying Value**	**Expected Probability of Default**	**Expected credit Loss**	**Carrying Amount Net of Expected credit Loss**
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Grant Recoverable from Government of India	238.97	0.62%	1.48	237.49
		Due in Respect of Deposit Work	82.23	50.75%	41.73	40.50
			321.20	**0.51**	**43.21**	**277.99**

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's finance division is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at 31/3/2018		As at 31/3/2017	
i) Financial Assets				
a) Investments	78.75		72.40	
b) Trade Receivables	936.18		870.26	
c) Cash and Cash Equivalents	3,709.16		3,571.50	
d) Bank Balances other than Cash and Cash Equivalents	90,101.00		143,599.99	
e) Loans	2,953.27		2,002.16	
f) Other Financial assets	30,715.04	128,493.40	12,326.79	162,443.10
ii) Financial Liabilities				
a) Trade Payables	1,698.93		2,007.86	
b) Other Financial Liabilities	3,958.94	5,657.87	4,148.20	6,156.06
Net Working Capital		**122,835.53**		**156,287.04**

31.15 **Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, capital grant from Government of India and retained earnings treated as other equity.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

31.16 **Segment reporting for the year ended 31st March 2018**

The operating segments are identified on the basis of internal reports used by the Company's Management to allocate resources and assess their performance for decision making. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" (CODM) within the meaning of Ind AS 108.

(Rs. In Lakhs)

	Trade promotion activities in India	**Trade promotion activities Abroad**	**Unallocated**	**Total**
Revenue-External	21,335.47	4,092.52	335.18	25,763.17
	(23459.41)	(3514.42)	-	(26973.83)
Inter-segment	-	-	-	-
Total Expenses	13,833.61	5,463.56	2,964.90	22,262.08
	(16255.31)	(4738.56)	(814.62)	(21808.49)
Segment result	7,501.86	-1,371.04	-2,629.72	3,501.09
	(7204.10)	(-1224.14)	(-814.62)	(5165.34)
Interest/Dividend income	-	-	9,967.83	9,967.83
	-	-	(11733.70)	(11733.70)
Excess of income over expenditure	-	-	-	**13,468.92**
	-	-	-	(16899.04)
Other information				
Segment assets	45,593.77	1,066.40	170,206.43	216,866.60
	(22834.36)	(590.60)	(180771.15)	(204196.11)
Segment liabilities	8,611.44	594.67	11,234.57	20,440.68
	(9588.47)	(455.25)	(11188.16)	(21231.88)
Capital expenditure	30,222.57	-	-	30,222.57
	(407.78)	-	-	(407.78)
Depreciation & Amortisation	414.06	-	-	414.06
	(463.09)	-	-	(463.09)

NOTE:

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

(b) The unallocated assets and liabilities include those which are not possible to be appropriately identified to a specific segment.

(c) Figures in brackets in the Segment Report relate to the previous year.

Information about major customers (from external customers)

The company does not derive any revenue from external customers which amounts to 10 percent or more of an entity's revenues.

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

31.17	**Prior Period Adjustments**			**(Rs in Lakhs)**
	Particulars		**Nature of error**	**Amount**
	Opening Retained Earning as on 01.04.2016			**159,731.25**
	Adjustments			-
	Restated Opening Retained Earning as on 01.04.2016			**159,731.25**
	Restated Excess of Income over expenditure for the period from continuing operations for year ended 2016-17			17,110.02
	Other Comprehensive Income during 2016-17			(218.21)
	Restated Opening Retained Earnings as on 31.3.2017			**176,623.06**
	Restated Excess of Income over expenditure for the year ended 31-03-2017			**(Rs in Lakhs)**
	Particulars	Nature of error	**For Year ended 31st March 2017**	
	Impact on statement in Income & Expenditure (increase/(decrease) in profit)			
	Excess of Income over expenditure for the period from continuing operations			**17,117.25**
	EMPLOYEES' BENEFITS EXPENSE			
	Salaries, Wages & Allowances	omission	(1.18)	
	Other Perks & Allowances	omission	(0.15)	
	Medical expenses	omission	(1.21)	(2.54)
	OTHER EXPENSES			
	Publicity	omission	(2.87)	
	Security Expenses	omission	(1.52)	
	Water Charges	omission	(0.16)	
	Vehicle Maintenance	omission	(0.14)	(4.69)
	Net Impact on Income & expenditure			**(7.23)**
	Restated Excess of Income over expenditure for the period from continuing operations			**17,110.02**
	Impact of Prior period errors on Equity and EPS			**(Rs in Lakhs)**
	Particulars		**As at March 31, 2018**	**As at March 31, 2017**
	Impact on Equity (increase/(decrease) in equity)			
	OTHER FINANCIAL LIABILITIES			
	Other payables		(7.23)	-
	Net Impact on Equity		**(7.23)**	-
	Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)			
	Particulars		**For Year ended 31st March 2017**	
	Earnings per share for continuing operation			
	Basic, profit from continuing operations attributable to equity holders			(0.00)
	Diluted, profit from continuing operations attributable to equity holders			(0.00)
31.18	**PREVIOUS YEAR FIGURES**			
	Previous year's figures have been regrouped/ rearranged, wherever considered necessary, to correspond with the current year figures.			

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(S.R.Sahoo)	**(D.M.Sharma)**	**(Deepak Kumar)**	**(L.C.Goyal)**
Company Secretary	Chief Financial Officer	Executive Director	Chairman & Managing Director
M. No. F5595	M. No. 084838	DIN: 07886176	DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N
Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

The inauguration function of the Hostel Block for the Institution for the Blind, Panchkuian Road, New Delhi.

Consolidated Accounts

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	8,525.13	10,598.44
Capital work in progress	3	28,465.16	109.26
Other Intangible Assets	4	49.79	14.30
Investment in Joint Venture	5	152.58	166.11
Financial Assets			
Investments	6	-	-
Loans	7	521.22	618.93
Non-current tax assets	8	28,009.58	24,376.89
Other non-current assets	9	34,517.27	16,413.64
Current assets			
Financial Assets			
Investments	10	78.75	72.40
Trade receivables	11	936.18	870.27
Cash and cash equivalents	12	4,059.03	4,924.19
Bank balances other than cash and cash equivalents	13	116,112.64	163,461.94
Loans	14	2,189.17	1,913.76
Other Financial assets	15	31,383.30	12,925.08
Other Current Assets	16	1,362.42	973.36
TOTAL ASSETS		**256,362.22**	**237,438.57**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	25.00	25.00
Other Equity	18	215,351.57	198,721.45
Non- Controlling Interests	19	18,799.32	16,492.22
Liabilities			
Non-current liabilities			
Non-current Provisions	20	2,221.39	2,445.04
Other non-current liabilities	21	815.65	853.55
Current Liabilities			
Financial liabilities			
Borrowings	22	605.00	24.50
Trade payables	23	1,898.12	2,048.16
Other financial liabilities	24	4,072.18	4,307.47
Other current liabilities	25	4,352.37	4,173.13
Current Provisions	26	8,221.62	8,348.05
TOTAL EQUITY AND LIABILITIES		**256,362.22**	**237,438.57**

'Significant Accounting Policies and Notes'- 1 to 33 form an integral part of the Financial Statements.

Sd/-	Sd/-	Sd/-	Sd/-
(S.R.Sahoo)	**(D.M.Sharma)**	**(Deepak Kumar)**	**(L.C.Goyal)**
Company Secretary	Chief Financial Officer	Executive Director	Chairman & Managing Director
M. No. F5595	M. No. 084838	DIN: 07886176	DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

CONSOLIDATED STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

Particulars	Note No.	Year ended 31st March 2018	Year ended 31st March 2017
Income			
Revenue From Operations	27	28,745.65	30,261.71
Other Income	28	12,961.24	14,156.86
Total Income		**41,706.88**	**44,418.57**
Expenditure			
Employee benefits expense	29	10,730.28	11,253.03
Depreciation and amortization expense	30	838.33	929.79
Other expenses	31	11,447.57	11,498.32
Total Expenditure		**23,016.18**	**23,681.14**
Excess of Income over Expenditure before exceptional items and tax		18,690.70	20,737.43
Exceptional Items	32	(66.58)	4,878.42
Excess of Income over Expenditure before tax		18,624.12	25,615.85
Tax expense		-	-
Excess of Income over Expenditure before share of net income of investments accounted for using equity method		18,624.12	25,615.85
Add: Share of net income of joint venture accounted for using equity method		(13.10)	3.32
Surplus for the year		**18,611.02**	**25,619.17**
Other Comprehensive Income			
Items that will not be reclassified to Income & Expenditure:		-	-
Remeasurement gain/ (loss) on defined benefit plans	33.11 (II)	11.64	(220.44)
Share of Other Comprehensive Income of Joint Venture accounted for using the equity method		(0.43)	(1.86)
Other Comprehensive Income/ (Loss) for the year		**11.21**	**(222.30)**
Total comprehensive income for the year		**18,622.23**	**25,396.87**
Income attributable to			
Owners of Parent		16,144.86	21,535.17
Non-Controlling Interest		2,466.16	4,084.00
		18,611.02	**25,619.17**
Other Comprehensive Income attributable to			
Owners of Parent		8.84	(221.21)
Non-Controlling Interest		2.37	(1.09)
		11.21	**(222.30)**
Total Comprehensive Income attributable to			
Owners of Parent		16,153.70	21,313.96
Non-Controlling Interest		2,468.53	4,082.91
		18,622.23	**25,396.87**
Earnings per share- Basic/ Diluted (Face Value of Rs. 100/- each)	33.12	0.65	0.86

'Significant Accounting Policies and Notes'- 1 to 33 form an integral part of the Financial Statements.

Sd/-	Sd/-	Sd/-	Sd/-
(S.R.Sahoo)	**(D.M.Sharma)**	**(Deepak Kumar)**	**(L.C.Goyal)**
Company Secretary	Chief Financial Officer	Executive Director	Chairman & Managing Director
M. No. F5595	M. No. 084838	DIN: 07886176	DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital (Refer note. 17)

For the year ended 31st March 2018		**(Rs in Lakhs)**
Particulars	**No. of shares**	**Amount**
Balance as at 1 April 2017	25,000	25.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**25,000**	**25.00**

For the year ended 31st March 2017		**(Rs in Lakhs)**
Particulars	**No. of shares**	**Amount**
Balance as at 1 April 2016	25,000	25.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	**25,000**	**25.00**

B. Other Equity (Refer note 18 & 19)

For the year ended 31st March 2018

Particulars	**Retained Earnings**	**Capital Reserve**			**Capital Grant from Government of India**	**Total equity attributable to owners of the parent**	**Non-controlling Interests**	**Total**
		Promoter's Contribution for KTPO	**Promoter's Contribution for ITPO**	**Others**				
Balance as at 1 April, 2017	191,614.57	1,325.22	4,965.62	18.10	805.17	198,728.68	16,492.22	215,220.90
Changes in accounting policy or prior period errors (Refer Note 33.23)	(7.23)	-	-	-	-	(7.23)	-	(7.23)
Changes due to Ind AS Adjustments	-	-	-	-	-	-		
Restated Balance as at the 1 April, 2017	**191,607.34**	**1,325.22**	**4,965.62**	**18.10**	**805.17**	**198,721.45**	**16,492.22**	**215,213.67**
Surplus for the year	16,144.86	-	-	-	-	16,144.86	2,466.16	18,611.02
Other Comprehensive Income/(Loss) for the year	8.84	-	-	-	-	8.84	2.37	11.21
Total Comprehensive Income	**16,153.71**	**-**	**-**	**-**	**-**	**16,153.71**	**2,468.53**	**18,622.23**
Transfer from Capital Reserve	5,270.84	-	-	-	-	5,270.84	-	5,270.84
Grant Received from TIES	-	-	-	-	518.11	518.11	497.80	1,015.91
Amortisation of Grant received from ASIDE	-	-	-	-	(41.70)	(41.70)	(40.06)	(81.76)
Transfer to borrowings							(619.16)	(619.16)
Transfer to Retained Earnings	-	(305.22)	(4,965.62)	-	-	(5,270.84)	-	(5,270.84)
Balance as at 31 March 2018	**213,031.89**	**1,020.00**	**-**	**18.10**	**1,281.58**	**215,351.57**	**18,799.32**	**234,150.88**

For the year ended 31st March 2017								(Rs in Lakhs)
Particulars	**Retained Earnings**	**Capital Reserve**			**Capital Grant from Government of India**	**Total equity attributable to owners of the parent**	**Non-controlling Interests**	**Total**
		Promoter's Contribution for KTPO	**Promoter's Contribution for ITPO**	**Others**				
Balance as at 1 April 2016	170,293.39	1,325.22	4,965.62	18.10	846.87	177,449.19	11,915.92	189,365.11
Changes in accounting policy or prior period errors	-	-	-	-	-	-		-
Restated balance as at 1 April 2016	**170,293.39**	**1,325.22**	**4,965.62**	**18.10**	**846.87**	**177,449.19**	**11,915.92**	**189,365.11**
Add: Surplus for the year	21,535.16	-	-	-	-	21,535.16	4,084.00	25,619.17
Add: Other Comprehensive income/ (loss) for the year	(221.21)	-	-	-	-	(221.21)	(1.09)	(222.30)
Total Comprehensive Income	**21,313.95**	**-**	**-**	**-**	**-**	**21,313.95**	**4,082.91**	**25,396.87**
Amortisation of Grant received from ASIDE	-	-	-	-	(41.70)	(41.70)	(40.06)	(81.76)
Transfer to borrowings							533.45	533.45
Balance as at 31 March,2017	**191,607.34**	**1,325.22**	**4,965.62**	**18.10**	**805.17**	**198,721.45**	**16,492.22**	**215,213.67**

'Significant Accounting Policies and Notes'- 1 to 33 form an integral part of the Financial Statements.

Sd/-	Sd/-	Sd/-	Sd/-
(S.R.Sahoo)	**(D.M.Sharma)**	**(Deepak Kumar)**	**(L.C.Goyal)**
Company Secretary	Chief Financial Officer	Executive Director	Chairman & Managing Director
M. No. F5595	M. No. 084838	DIN: 07886176	DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N
Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs in Lakhs)

	Particulars	Year ended 31st March 2018		Year ended 31st March 2017	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Excess of income over expenditure before Tax		18,611.02		25,619.17
	Adjustments For:				
	Other Comprehensive Income	11.21		(222.30)	
	Depreciation and Amortisation Expenses	838.33		929.79	
	Loss/ (Profit) on Sale of Fixed Assets	(54.91)		27.98	
	Interest & Dividend Income	(11,667.03)		(13,163.73)	
	Provisions	134.84		154.13	
	Provisions/Liabilities No Longer Required	(329.00)		(210.51)	
	Fair value (gain)/ loss on Financial Investment	2.88		(54.12)	
	Amortisation of Govt. Grant	(81.76)		(81.76)	
	Depreciation - Exceptional Item	-		262.16	
	Share of Net Profit of Joint Venture accounted for using equity method	13.53		(1.46)	
	Profit/Loss on sale of PPE - Exceptional Item	66.58		(5,076.02)	
	Assets Written Off	-	(11,065.33)	0.11	(17,435.74)
	Operating Profit before working capital changes		7,545.69		8,183.43
	Increase (Decrease) in Non-Current Financial Loans	(97.71)		(171.08)	
	Increase (Decrease) in Non-Current Assets	175.95		499.68	
	Increase (Decrease) in Non-Current Tax Assets	3,632.69		4,217.11	
	Increase (Decrease) in Trade Receivables	(89.44)		(121.39)	
	Increase (Decrease) in Current Loans	275.41		(66.09)	
	Increase (Decrease) in Other Current Financial Assets	18,478.22		(19.05)	
	Increase (Decrease) in Other Current Assets	502.66		516.73	
	(Increase) Decrease in Non-Current Provisions	223.65		(603.55)	
	(Increase) Decrease in Other Non-Current Liabilities	37.90		79.84	
	(Increase) Decrease in Trade Payables	150.04		181.99	
	(Increase) Decrease in Other Current Financial Liabilities	259.78		(22.82)	
	(Increase) Decrease in Other Current Liabilities	(179.24)		(806.38)	
	(Increase) Decrease in Current Provisions	126.44		(2,107.64)	
	Provisions/Liabilities No Longer Required	(172.00)		(206.53)	
	Bank Balances other than Cash and Cash Equivalents	(47,349.30)	(24,024.95)	10,343.10	11,713.93
	Net cash from Operating Activities [A]		**31,570.64**		**(3,530.50)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	(Deposit)/ Withdrawal in Financial Assets		-		500.00
	Adv. For IECC Project		(46,234.90)		(13,270.26)
	Purchase of Fixed Assets		(700.06)		(568.19)
	Sale of Fixed Assets		1,839.62		5,325.18
	Investments & Intercorporate Deposits		(9.23)		(5.59)
	Interest & Dividend Income		11,667.03		13,163.73
	Net cash from Investing Activities [B]		**(33,437.54)**		**5,144.87**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayment of Borrowings		(14.16)		(226.75)
	Govt. grant received		1,015.91		-
	Net Cash Flow From Financing Activities [C]		**1,001.75**		**(226.75)**

Contd.

Net Increase / Decrease in Cash and Cash equivalents [A+B+C]		(865.16)		1,387.62
Cash and Cash equivalents at the beginning of the year		4,924.19		3,536.57
Cash and Cash equivalents at the end of the year		**4,059.04**		**4,924.19**
Components of Cash and Cash Equivalents				
At the end of the year				
Cash in Hand and Cash equivalents		33.32		9.29
Balance with Banks - in Current & Saving Accounts		4,025.71		4,914.90
Balance with Banks - in Term Deposit up to 3 months original maturity		-		-
		4,059.03		**4,924.19**

Note:-

1. Cash and Cash equivalents include Cash in hand, Drafts/Cheques in hand, Bank Balances, Deposits with Banks and Short term Investments with an original maturity of 3 months or less.
2. Amendment to Ind-AS 7: Effective April 1, 2017, the Group adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

   Significant Accounting Policies and notes 1 to 33 form an integral part of the financial statements.

Sd/-
(S.R.Sahoo)
Company Secretary
M. No. F5595

Sd/-
(D.M.Sharma)
Chief Financial Officer
M. No. 084838

Sd/-
(Deepak Kumar)
Executive Director
DIN: 07886176

Sd/-
(L.C.Goyal)
Chairman & Managing Director
DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N
Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

1. GROUP INFORMATION

India Trade Promotion Organisation (the Holding Company) was incorporated in India under Section 8 of the Companies Act, 2013 (erstwhile section 25 of the Companies Act, 1956) on 30.12.1976 under the name and style Trade Fair Authority of India (TFAI) with the main object of promoting India's trade primarily through the medium of organizing trade fairs and exhibitions in India and abroad. Subsequent to the merger of erstwhile Trade Development Authority of India with TFAI on 01.01.1992, the merged Organisation was renamed as India Trade Promotion Organisation (ITPO) and 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. The registered office of the Company is located at Pragati Bhawan, Pragati Maidan New Delhi-110001 with offices in various states in India and is domiciled in India.

The Holding Company has two subsidiary companies i.e. Tamilnadu Trade Promotion Organisation (TNTPO) and Karnataka Trade Promotion Organisation (KTPO) and a JointlyControlled entity National Centre for Trade Information (NCTI). The accompanying Consolidated financial statements relate to India Trade Promotion Organisation (ITPO) and its two subsidiary companies (together referred as “The Group”)and a Jointly Controlled entity.

The financial Statements for the year ended March 31, 2018 were approved by the Board of Directors on August 29, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a) Compliance with Indian Accounting Standards (Ind-AS)

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (‘Ind AS’) notified under Companies (Indian Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Rules, 2017 and the other relevant provisions of the Companies Act, 2013.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All the assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b) Historical cost convention

The consolidatedfinancial statements have been prepared on a historical cost basis, except certain financial assets and financial liabilities which are measured at fair value:

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Notes to accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

c) Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('INR.'), which is the Group Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakh with two decimal places, unless stated otherwise.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

The operating cycle is the time period between acquisition of assets for processing and their realization in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

e) Use of estimates and judgments

The preparation of the consolidatedfinancial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that require material adjustments to the carrying amount of the assets and liabilities in future period(s).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

i) Useful lives of Property Plant and Equipment (PPE)

The Property, Plant and Equipment are depreciated on a pro-rate basis on straight line basis over their respective useful lives. Management estimates the useful lives of these assets are not higher than the useful lives & residual value prescribed in Schedule II of the Companies Act, 2013. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit in future years.

ii) Retirement Benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. Details about the assumptions used, including a sensitivity analysis are given in Notes to accounts.

iii) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iv) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment for doubtful debts/ advances is made in respect of dues, including Government dues, outstanding for more than three financial years, or otherwise, except cases where the Company is hopeful of recovery.

v) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

f) Basis of Consolidation

The financial statements of Subsidiary Companies and Joint venture are drawn up to the same reporting date as of the Company for the purpose of consolidation.

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

Joint Ventures

A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognised at cost and thereafter accounted for using the equity method.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted as investments are tested for impairment in accordance with the Group's policy.

Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Income & Expenditure.

When the group ceases to apply equity method of accounting for an investment because of a loss of joint control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.2 PROPERTY, PLANT AND EQUIPMENT (PPE)

An item of Property, Plant & Equipment is recognized as an asset, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation/ acquisition/ construction and other incidental costs till completion of the installation/acquisition/construction of the item) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. In cases where final

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

settlement of bill/invoice of any contractor/ executing agency is pending, but the asset is complete and available for use, capitalisation is done on the basis of contract awarded/ statement of account/ utilisation certificate subject to the necessary adjustments, including those arising out of settlement of arbitration/court cases.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Income and Expenditure during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Income and Expenditure.

Leasehold land acquired on perpetual lease basis is not amortized.

Depreciation is charged to Statement of Income & Expenditure on straight-line basis over the estimated useful life of an assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Buildings - Leasehold/ Freehold	60	40/20/10
Plant & Machinery	15	15/10/8
Vehicles	8	5

The property, plant and equipment costing upto Rs. 5,000/-each are fully depreciated during the year of addition.

In case of additions to/ deductions from assets, depreciation is charged on pro-rata basis from/ up to the month (day basis in case of KTPO) in which the asset is available for use/ disposal.

2.3 CAPITAL WORK-IN-PROGRESS

Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

In cases where final settlement of bills with contractors/ executing agency is pending, cost/ expenditure arerecognised as CWIP on the basis of contract awarded/ statement of accounts/ utilisation certificate subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

2.4 INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of Income & Expenditure.

Intangible assets are fully amortised equally over the period of legal right to use or three financial years, whichever is earlier, from the year in which the asset is available for use.

2.5 IMPAIRMENT OF NON FINANCIAL ASSETS

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period(s). If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

2.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, drafts/cheques on hand, bank balances, deposits with banks and short term investments, which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.7 INVENTORIES

Inventories are valued at lower of the cost or net realizable value.Obsolete, defective and unserviceable stocks are provided for, wherever required.

2.8 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the average rate of remittances. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the average rate of remittances. In case previous funds are utilised, average rate of the previous remittance(s) is taken for the purpose of conversion.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.9 FAIR VALUE MEASUREMENT

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, etc. All methods of assessing fair value result in general approximation of value, and such value may not actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date are not carried at fair value, due to the short maturity of these instruments.

2.10 FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

i) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Income and Expenditure.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

1. Financial assets measured at amortized cost;
2. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
3. Financial assets measured at fair value through profit and loss (FVTPL)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Income and Expenditure (i.e. fair value through profit and loss), or recognized in Other Comprehensive Income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

1. Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of income and expenditure. The losses arising from impairment are recognized in the statement of income and expenditure. This category generally applies to employee loans and other loans/ advances having specified terms etc.

2. Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Income and Expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

3. **Fair Value through Profit andLoss** is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Income and Expenditure.

iii) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks and employee loans and other loans/ advances having specified terms etc.
- Financial assets that are debt instruments, and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

Impairment for doubtful receivables is made in respect of dues, including Government dues, outstanding for more than three financial years, or otherwise, except cases where the Company is hopeful of recovery.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised(i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have been expired/transferred, or
- The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

b) Financial Liabilities

i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the income and expenditure.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in Other Comprehensive Income. These gains/ loss are not subsequently transferred to Statement of Income and Expenditure. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of Income & Expenditure.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized as Income & Expenditure over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Income & Expenditure when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Statement of Financial Position date, if not, they are classified under non-current liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Income and Expenditure.

*Since the Company is registered under section 8 of the Companies Act, 2013, it prepares a Statement of Income & Expenditure as per section 2(40). Hence for the purpose of complying with Ind AS, FVTPL- Fair Value through Profit & Loss Account (wherever mentioned) would mean Fair Value through Statement of Income & Expenditure.

2.11 REVENUE RECOGNITION

a) Income and Expenditure in respect 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 income & expenditure of such event is accounted for in the year in which the event concludes.

It is measured at fair value of the consideration received or receivable, after deduction of discounts/ rebates and any taxes or duties collected on behalf of the government which are levied such as service tax/goods and service tax.

b) Revenue from rentals and operating leases is recognized on accrual basis in accordance with the substance of the relevant agreement.

c) 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.

d) Expenditure incurred through agencies like CPWD/ NBCC on civil, electrical, horticulture, etc. is accounted for on the basis of statements/accounts/ utilisation certificates rendered by them.

e) Income and Expenditure relating to earlier years, not exceeding Rs.10,000/- in each case, are treated as pertaining to current year.

f) 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 are executed.

g) Claims for liquidated damages from contractors for delayed execution of work arerecognised as Income, when the amount is finally determined and agreed upon.

h) Subscription fees from associate subscribers and service charges from regular subscribers are recognised on receipt basis. However, subscription fee received in advance is accounted for in the relevant year for which it pertains.

i) Dividend income is recognised in the Statement of Income & Expenditure when the right to receive dividend is established.

j) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.

2.12 GOVERNMENT GRANTS

Government grants are recognized with deferred income approach when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

Grants that compensate the Company for expenses incurred are recognized as income in the period in which the related costs are incurred.

Grants in the nature of promoter's contribution is recognised in appropriate category under Other Equity.

2.13 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying tangible assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying tangible assets for their intended use are complete.

2.14 EMPLOYEE BENEFITS

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b) Post-Employment Benefits

i) Defined contribution plan

The Company's approved provident fund scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes to separate trusts, which invests the fund in permitted securities. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service. The Company is also under obligation to make good the accumulated shortfall of the trusts, if any, and recognise such shortfall as its expense.

ii) Defined benefit plan

The employees' gratuity fund scheme (funded) and the employees leave encashment (unfunded) are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Gratuity is funded through a separate ITPO Employees Gratuity Fund Trust which manages the affairs of the trust. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Income and Expenditure in subsequent periods. The Company is also under obligation to make good the accumulated shortfall of the gratuity trust, if any, and recognise such shortfall as its expense.

c) Termination Benefits

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Income and Expenditure in the year of incurrence of such expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

2.15 PROVISIONS AND CONTINGENT ASSETS & LIABILITIES

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of economic benefit is remote.Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

c) Contingent Assets

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in financial statements.

2.16 EARNING PER SHARE

Basic earnings per share is calculated by dividing net surplus/ deficit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

2.17 SEGMENT REPORTING

The operating segments are identified on the basis of internal reports used by the Company's Management to allocate resources and assess their performance for decision making. The Board of Directors is collectively the company's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

The Company has identified two reporting segments namely trade promotion activities in India & abroad.

2.18 LEASES

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease .Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with Company's general policy on the borrowing cost.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Income and Expenditure on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.19 RECENT ACCOUNTING PRONOUNCEMENTS: STANDARDS ISSUED BUT NOT YET EFFECTIVE

IND AS 115 Revenue from Contracts with Customers

MCA had notified IND AS 115 on Revenue from Contracts with Customers on dated March 28, 2018. The standard establishes a new five step model that will apply to revenue arising from contracts with customers. Under IND AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IND AS 115 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IND AS.

The effective date of IND AS 115 is annual periods beginning on or after 1st April 2018. The Company is required to adopt the standard by the Financial Year commencing 1st April 2018. The Company is currently evaluating the requirements of IND AS 115 and has not yet determined the impact on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

3. PROPERTY, PLANT AND EQUIPMENT (AS AT 31ST MARCH, 2018)

	Description	Useful Life (years)	Gross Block			
			As at 1.04.2017	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2018
A	**PROPERTY, PLANT & EQUIPMENT**					
	Land					
	Leasehold (Ghazipur)		78.76	-	-	78.76
	Freehold Land		973.27	-	6.31	966.96
	Leasehold (Pragati Maidan Complex) (Refer Note 3.1)		0.00	-	-	0.00
	Buildings (on Leasehold Land)					
	A Class	40	1,572.33	77.12	444.21	1,205.24
	B Class	20	33.93	371.79	20.99	384.74
	C Class	10	60.22	-	19.48	40.73
	Anarkali food plaza (Refer Note 3.2)		0.00	-	-	0.00
	Exhibition Complex		1,895.99	53.94	-	1,949.93
	Building - I (RCC)		1,028.40	-	-	1,028.40
	Building - II (Exhi. Halls)		2,277.22	-	-	2,277.22
	Buildings (Residential/ Office Flats)					
	On Freehold	40	159.86	-	-	159.86
	Plant and Machinery					
	Solar installation	15	110.26	-	-	110.26
	Air conditioning plants	8	0.25	-	0.25	-
	Air conditioning plants	15	2,762.56	-	1,862.40	900.17
	Air conditioning/ air ventilation plants (Refer Note 3.1)	10	0.28	-	0.28	0.00
	Furniture & fittings					
	Furniture & fixture	10	96.73	6.31	0.06	102.99
	Fire hydrant & fire fighting systems	10	5.17	1.72	-	6.89
	Water supply & drainage	10	16.00	-	7.36	8.63
	Vehicles	5	53.60	-	3.69	49.91
	Office Equipments					
	Office equipments/ other miscellaneous assets	5	175.99	4.30	51.63	128.66
	Audio visual equipments	5	151.51	-	1.57	149.94
	Computers & Data Processing					
	Servers & networks	6	21.70	11.43	-	33.13
	Computers, etc	3	130.63	5.22	1.94	133.91
	Electric installations/ fittings	10	1,006.56	55.45	128.19	933.82
	SUB TOTAL(A)		**12,611.20**	**587.29**	**2,548.36**	**10,650.14**
	CAPITAL WORK IN PROGRESS		109.26	29,739.12	1,383.21	28,465.16
B	**SUB TOTAL (B)**		**109.26**	**29,739.12**	**1,383.21**	**28,465.16**
	GRAND TOTAL (A+B)		**12,720.46**	**30,326.41**	**3,931.57**	**39,115.30**

3.1 Book Value of Re. 1/- only, net of grant received towards Land and Buildings

3.2 Includes Anarkali Food Plaza, Book Value of Re. 1/- only as at 01.04.2017, demolished during 2017-18, Nil as at 31.3.2018

3.3 Depreciation includes Rs. 1.28 lakh (Previous Year Rs. 2.75 lakh) in respect of each asset costing Rs. 5,000 or less, depreciated at the rate of 100%.

3.4 Based on a study carried out by a professional firm, no case of impairment of assets exists as at 31st March, 2018 under the provisions of Ind AS- 36 on impairment of assets.

3.5 Assets costing Rs. 4305.21 lakh having net block of Rs. 1839.46 lakh were handed over/ demolished for IECC project and deleted from the books of the accounts for the year against the sale proceeds of Rs. 461.07 lakh. The resultant loss of Rs. 1378.39 lakh is included in 'Exceptional Items' in the Statement of Income & Expenditure.

3.6 The physical verification of Property, Plant & Equipments is done once in two years and was due to be done during the year 2017-18. The reconciliation of the physical verification report with the book balances will be carried out & the resultant financial impact, if any is not ascertainable at this stage.

3.7 Refer 'Para 2.2 & 2.3' of 'Significant Accounting Policies' for the depreciation on Property, Plant and Equipment.

3.8 Leasehold Land, as per past practise, has not been amortized as per accounting policy.

(Rs. in lakhs)

Depreciation				Net Block	
As at 1.04.2017	**For the year**	**Sales/ disposal/ adjustments during the year**	**As at 31.03.2018**	**As at 31.03.2018**	**As at 31.03.2017**
-	-	-	-	78.76	78.76
-	-	-	-	966.96	973.27
-	-	-	-	0.00	0.00
154.22	140.64	67.26	227.60	977.64	1,418.11
9.41	5.02	9.38	5.05	379.68	24.52
19.32	9.34	14.01	14.65	26.08	40.89
-			-	0.00	0.00
297.41	83.76	-	381.17	1,568.77	1,598.59
41.14	20.57	-	61.71	966.69	987.26
225.15	119.04	-	344.19	1,933.03	2,052.07
12.27	6.13	-	18.40	141.46	147.59
6.21	6.98	-	13.19	97.07	104.05
-	-	-	-	-	0.25
496.39	191.62	495.85	192.16	708.01	2,266.17
-	-	-	-	0.00	0.28
20.26	13.36	0.01	33.62	69.37	76.46
-	1.17	-	1.17	5.72	5.17
2.12	1.36	1.54	1.94	6.69	13.88
15.25	6.30	3.69	17.86	32.05	38.35
84.95	20.29	49.28	55.97	72.69	91.04
130.25	-	-	130.25	19.69	21.26
5.95	14.11	-	20.06	13.07	15.74
48.06	26.98	-	75.04	58.88	82.57
444.40	143.06	56.48	530.99	402.84	562.15
2,012.77	**809.74**	**697.49**	**2,125.01**	**8,525.13**	**10,598.44**
-			-	28,465.16	109.26
-			**-**	**28,465.16**	**109.26**
2,012.77	**809.74**	**697.49**	**2,125.01**	**36,990.29**	**10,707.69**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

Property, Plant and Equipment (As at 31st March, 2017)

	Description	Useful Life (years)	Gross Block			
			As at 1.04.2016	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017
A	**PROPERTY, PLANT & EQUIPMENT**					
	Land					
	Leasehold (Ghazipur)		78.76	-	-	78.76
	Freehold Land		1,000.00	-	26.73	973.27
	Leasehold (Pragati Maidan) #		0.00	-	-	0.00
	Buildings (on Leasehold Land)					
	A Class	40	1,586.29	-	13.97	1,572.33
	B Class	20	79.48	-	45.54	33.93
	C Class	10	60.64	-	0.42	60.22
	Anarkali food plaza #		0.00	-	-	0.00
	Exhibition Complex		1,478.59	417.40	-	1,895.99
	Building - I (RCC)		1,028.40	-	-	1,028.40
	Building - II (Exhi. Halls)		2,277.22	-	-	2,277.22
	Buildings- Freehold					
	Buildings (Residential/ Office Flats)					
	On Freehold	40	159.86	-	-	159.86
	Plant and Machinery					
	Solar installation	15	36.74	73.52	-	110.26
	Air conditioning plants	8	23.50	-	23.25	0.25
	Air conditioning plants	15	2,532.85	279.87	50.15	2,762.56
	Air conditioning/ air ventilation plants	10	1.89	-	1.61	0.28
	Furniture & fittings					
	Furniture & fixture	10	93.41	3.48	0.17	96.73
	Fire hydrant & fire fighting systems	10	175.27	-	170.10	5.17
	Water supply & drainage	10	15.56	0.44	-	16.00
	Vehicles	5	54.53	-	0.93	53.60
	Office Equipments					
	Office equipments/ other miscellaneous assets	5	156.70	22.04	2.76	175.99
	Audio visual equipments	5	151.51	0.00	0.00	151.51
	Computers & Data Processing					
	Servers & networks	6	21.70	-	-	21.70
	Computers, etc	3	94.04	43.24	6.65	130.63
	Electric installations/ fittings	10	843.18	167.60	4.22	1,006.56
	SUB TOTAL(A)		**11,950.10**	**1,007.59**	**346.49**	**12,611.20**
B	**CAPITAL WORK IN PROGRESS**		617.92	251.64	760.30	109.26
	SUB TOTAL (B)		**617.92**	**251.64**	**760.30**	**109.26**
	GRAND TOTAL (A+B)		**12,568.02**	**1,259.23**	**1,106.79**	**12,720.46**

\# Book Value of Re. 1/- only

i. Depreciation includes Rs. 2.75 lakhs in respect of each asset costing Rs. 5,000 or less, depreciated at the rate of 100%.

ii. Based on a study carried out by a professional firm, no case of impairment of assets exists as at 31st March, 2017 under the provisions of Ind AS- 36 on impairment of assets.

iii. Assets costing Rs. 593.94 lakh having net block of Rs. 236.63 lakhs were handed over/ demolished for IECC project and deleted from the books of the accounts for the year against the sale proceeds of Rs. 209.34 lakhs. The resultant loss of Rs. 27.29 lakhs is included in 'Other Expenses' in the Statement of Income & Expenditure.

(Rs. in lakhs)

Depreciation				Net Block	
As at 1.04.2016	For the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
-	-	-	-	78.76	78.76
-	-	-	-	973.27	1,000.00
-	-	-	-	0.00	0.00
78.34	78.31	2.43	154.22	1,418.11	1,507.95
8.54	8.26	7.39	9.41	24.52	70.94
9.66	9.66	-	19.32	40.89	50.97
-	-	-	-	0.00	0.00
69.40	228.01	-	297.41	1,598.59	1,409.19
20.57	20.57	-	41.14	987.26	1,007.83
106.11	119.04	-	225.15	2,052.07	2,171.11
6.13	6.13	-	12.27	147.59	153.73
0.78	5.43	-	6.21	104.05	35.96
4.18	4.18	8.37	-	0.25	19.31
282.83	235.48	21.92	496.39	2,266.17	2,250.02
-	-	-	-	0.28	1.89
14.09	13.45	7.28	20.26	76.46	79.32
22.99	22.99	45.98	-	5.17	152.28
0.70	1.42	-	2.12	13.88	14.86
7.68	7.78	0.21	15.25	38.35	46.85
62.73	24.26	2.03	84.95	91.04	93.98
65.16	65.08	-	130.25	21.26	86.34
3.53	2.42	-	5.95	15.74	18.17
24.96	25.12	2.02	48.06	82.57	69.08
178.98	307.03	41.61	444.40	562.15	664.20
967.36	**1,184.63**	**139.23**	**2,012.77**	**10,598.44**	**10,982.74**
-	-	-	-	109.26	617.92
-	**-**	**-**	**-**	**109.26**	**617.92**
967.36	**1,184.63**	**139.23**	**2,012.77**	**10,707.69**	**11,600.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

4. OTHER INTANGIBLE ASSETS (AS AT 31ST MARCH, 2018)

(Rs. in lakhs)

Description	Useful Life (years)	Gross Block				Amortization				Net Block	
		As at 1.04.2017	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2018	As at 1.04.2017	For the year	Sales/ disposal/ adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer Softwares	3	0.79	64.09	-	64.88	0.26	28.43	-	28.69	36.19	0.53
Website	3	21.07	-	-	21.07	7.30	0.17	-	7.47	13.60	13.77
TOTAL		**21.86**	**64.09**	-	85.95	**7.57**	**28.60**	-	**36.16**	**49.79**	**14.30**

Other Intangible Assets (As at 31st March, 2017)

(Rs. in Lakhs)

Description	Useful Life (years)	Gross Block				Amortization				Net Block	
		As at 1.04.2016	Additions during the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017	As at 1.04.2016	For the year	Sales/ disposal/ adjustments during the year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Softwares	3	-	0.79	-	0.79	-	0.26	-	0.26	0.53	-
Website	3	0.67	20.41	-	21.07	0.25	7.05	-	7.30	13.77	0.42
TOTAL		**0.67**	**21.20**	-	21.86	**0.25**	**7.32**	-	**7.57**	**14.30**	**0.42**

5. INVESTMENT IN JOINT VENTURE (Valued at cost, unless stated otherwise)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	In Equity Shares- Unquoted, fully paid up				
	Joint Venture Company				
	2,00,000 (2,00,000) equity shares of Rs.100/- each in National Centre for Trade Information (NCTI)	200.00		200.00	
	(Less): Provision for Impairment Loss	(47.42)	152.58	(33.89)	166.11
			152.58		**166.11**

5.1 Information about Joint Venture:

Investment in Joint Venture:

Name of Company	Country of Incorporation	Principal Activities	Proportion (%) of Shareholding	
			31.03.2018	31.03.2017
National Centre for Trade Information	India	Trade Information	50%	50%

6. INVESTMENTS

(Rs. in Lakhs)

		As at March 31, 2018		As at March 31, 2017
	In Equity Shares- Unquoted, fully paid up			
	(carried at fair value through other comprehensive income)			
	5 shares of Rs.50/- each aggregating to Rs. 250/- in Sea Glimpse Cooperative Housing Society, Mumbai	-		-
		-		-
	(i) Aggregate amount of Unquoted Investments	-		-
	(ii) Aggregate amount of impairment in the value of investments	-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

7. LOANS (Considered good)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Loan to Employees (Refer Note 7.1) (including accrued interest)				
	Secured	475.93		376.47	
	Unsecured	45.29	521.22	242.46	618.93
			521.22		**618.93**
7.1	Loan to Employees includes:				
	Due from Directors		-		-
	Due from officers in the nature of loan		18.49		24.79

8. NON-CURRENT TAX ASSETS (Unsecured)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Income Tax / TDS Recoverable [Refer Note. 33.4 (i) B]				
	Considered good		28,009.58		24,376.89
	Considered doubtful	426.00		427.65	
	(Less): Provision for doubtful TDS	(426.00)	-	(427.65)	-
			28,009.58		**24,376.89**

9. OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Capital Advances				
	Secured (against corporate guarantee of NBCC)	10,000.00		10,003.19	
	Unsecured	22,059.31	32,059.31	4,384.73	14,387.92
	Sundry Deposits				
	Unsecured, considered good	1,229.39		229.49	
	Unsecured, considered doubtful	-		11.32	
	(Less): Provision for doubtful deposits	-	1,229.39	(11.32)	229.49
	Service Tax Recoverable [Refer Note 33.9 (i)]		1,113.54		1,656.64
	Deferred Payroll expense		115.03		139.58
			34,517.27		**16,413.64**

10. INVESTMENTS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	In Mutual Funds- Quoted (Carried at fair value through income and expenditure)				
	2,70,169 (2,40,157) units of Rs. 10/- each in UTI-Balanced Fund Dividend Reinvestment scheme		78.75		72.40
			78.75		**72.40**
	(i) Aggregate amount of quoted investment & market value thereof		78.75		72.40
	(ii) Aggregate amount of impairment in the value of investments		**-**		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

11. TRADE RECEIVABLES

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Unsecured, considered good (Refer Note 11.1)		936.18		870.27
	Unsecured, considered doubtful	1,248.49		1,452.87	
	(Less): Provision for doubtful trade receivables	(1,248.49)	-	(1,452.87)	-
			936.18		**870.27**
11.1	Due to short-term nature of current receivables, their carrying amount is assumed to be same as their fair value.				

12. CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Balances with Banks- Current & Savings accounts (Refer Note 12.1)		4,025.71		4,914.90
	Drafts /Cheques on hand		28.08		3.19
	Cash on hand		5.11		5.08
	Postage Imprest		0.12		1.03
			4,059.03		**4,924.19**
12.1	Balances with Banks includes Rs. 8.66 lakhs (Previous year: 8.39 lakhs) lying in foreign banks, duly confirmed.				
12.2	There are no restriction with regard to cash and cash equivalents as at the end of the reporting period.				

13. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Term deposits with banks having original maturity of more than 3 months but less than 12 months		116,112.64		163,461.94
			116,112.64		**163,461.94**

14. LOANS (Considered good)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Loan to Employees (including accrued interest) (Refer Note 14.1)				
	Secured	103.93		-	
	Unsecured	2,085.24	2,189.17	1,913.76	1,913.76
			2,189.17		**1,913.76**
14.1	Loans to Employees includes dues from:				
	Directors / Ex-Directors		0.01		0.86
	Officers in the nature of loan		7.55		5.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

15. OTHER FINANCIAL ASSETS (Unsecured)

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Grant recoverable from Government of India				
	Considered good	711.35		237.49	
	Considered doubtful	21.47		1.48	
	(Less): Provision for doubtful Grant	(21.47)	711.35	(1.48)	237.49
	Inter-corporate deposits (placed with NBFCs)		26,800.00		7,500.00
	Due from Indian Missions Abroad		7.86		1.10
	Interest accrued on Saving bank accounts & deposits		3,814.07		5,145.99
	Due from parties in respect of deposit works				
	Considered good	50.02		40.50	
	Considered doubtful	41.73		41.73	
	(Less): Provision for doubtful dues	(41.73)	50.02	(41.73)	40.50
			31,383.30		**12,925.08**

16. OTHER CURRENT ASSETS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Advances to vendors (Unsecured)				
	Considered good	609.12		788.94	
	Considered doubtful	249.64		119.33	
	(Less): Provision for doubtful advances	(249.64)	609.12	(119.33)	788.94
	Sundry Deposits (Unsecured)				
	Considered good	163.22		101.83	
	Considered doubtful	13.68		2.36	
	(Less): Provision for doubtful deposits	(13.68)	163.22	(2.36)	101.83
	Others				
	GST Credit	528.76		-	
	Prepaid expenses	18.01		31.29	
	Deferred Payroll expense	19.71		23.63	
	Other Advances	6.73		10.74	
	Group Gratuity Fund - LIC	15.70		13.76	
	Consumable Stores (valued at cost)	1.17	590.08	3.17	82.59
			1,362.42		**973.36**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

17. EQUITY SHARE CAPITAL

(Rs. in Lakhs)

		As at March 31, 2018		As at March 31, 2017
Authorized				
50,000 (50,000) equity shares of Rs. 100/- each		50.00		50.00
Issued, Subscribed & Fully paid-up				
25,000 (25,000) equity shares of Rs. 100/- each fully paid up		25.00		25.00
		25.00		**25.00**

17.1 **Reconciliation of shares outstanding**

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the year	25,000	25.00	25,000	25.00
Add: Issued during the year	-	-	-	-
At the end of the year	**25,000**	**25.00**	**25,000**	**25.00**

17.2 **Terms / Rights attached to Equity Shares**

The Holding 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 (now Section 8 of Companies Act, 2013), 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.

17.3 **Details of Shareholder holding more than 5% shares**

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% age	No. of shares	% age
Equity Shares of Rs. 100/- each fully paid				
Government of India	25,000	100	25,000	100
(2 shares held by nominee shareholders)				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

18. OTHER EQUITY

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Capital Reserves				
	Promoter's Contribution for infrastructural facilities (Refer Note 18.1)	4,965.62		4,965.62	
	(Less): Transfer to Retained Earnings	(4,965.62)	-	-	4,965.62
	Promoter's Contribution for investment in KTPO (Refer Note 18.2)	1,325.22		1,325.22	
	(Less): Transfer to Retained Earnings	(305.22)	1,020.00	-	1,325.22
	Others (Refer Note 18.3)		18.10		18.10
	Capital Grant from Government of India				
	Balance as per the financial statement	805.17		846.87	
	Add: Additions during the year (Refer Note 18.4)	518.11		-	
	(Less): Amortisation of grant received from ASIDE	(41.70)	1,281.58	(41.70)	805.17
	Retained Earnings				
	As per the last account	191,607.34		170,293.39	
	Add: Transfer from capital reserve	5,270.84		-	
	Add: Surplus for the year	16,144.86		21,535.16	
	Add: Remeasurement gain/(loss) of defined benefit plans	9.27		(219.35)	
	(Less): Share of OCI of joint venture accounted for using the equity method	(0.43)	213,031.89	(1.86)	191,607.34
	Total		**215,351.57**		**198,721.45**
18.1	The Promoter's contribution received in earlier years for creation of infrastructural facilities in Pragati Maidan complex has been transferred to Retained Earnings since the corresponding assets have been majorly demolished due to the ongoing IECC project.				
18.2	Subordinate debts to KTPO was recovered in July 2018, consequently, the amount of Rs. 305.22 lakhs of the Promoter's contribution has been transferred to Retained Earnings.				
18.3	Represents excess of assets over liabilities of organisations merged with the Holding Company in earlier years.				
18.4	Grant received from TIES for expansion project in respect of Group Company, TNTPO.				

19. NON- CONTROLLING INTEREST

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Tamilnadu Trade Promotion Organization (TNTPO)				
	- Share Capital	0.49		0.49	
	- Other Equity	12,310.50		10,361.61	
	Add: Fair value adjustment of long term borrowings at amortised cost	-		41.21	
	(Less): Amount Transferred to Borrowings	-	12,310.99	(27.05)	10,376.26
	Karnataka Trade Promotion Organization (KTPO)				
	- Share Capital	980.00		980.00	
	- Other Equity	5,508.33		4,530.96	
	Add: Subordinate Debt	-	6,488.33	605.00	6,115.96
			18,799.32		**16,492.22**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

20. NON- CURRENT PROVISIONS

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Provision for employee benefits				
	Leave Encashment (Refer Note 33.11)		2,200.79		2,426.29
	Gratuity		20.61		18.75
			2,221.39		**2,445.04**

21. OTHER NON-CURRENT LIABILITIES

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Advance received from customers		815.65		853.55
			815.65		**853.55**

22. BORROWINGS- CURRENT

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Term Loans-Unsecured				
	KIADB		605.00		24.50
			605.00		**24.50**

23. TRADE PAYABLES

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Total outstanding dues of Micro, Small and Medium Enterprises (Refer Note 23.1)		-		-
	Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		1,898.12		2,048.16
			1,898.12		**2,048.16**
23.1	There are no Micro, Small & Medium Enterprises to whom the Company owes dues as at 31st March 2018. 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.				

24. OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

			As at March 31, 2018		As at March 31, 2017
	Bank Overdraft		5.91		8.08
	Employees' benefits payable		177.55		149.70
	Security deposits		1,017.85		1,061.39
	Payable to TIDCO		-		141.65
	Payable to KAIDB		24.50		-
	Refund due to customers		2,022.44		2,340.45
	Other payables		823.94		606.20
			4,072.18		**4,307.47**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

25. OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

		As at March 31, 2018		As at March 31, 2017
Advance received from customers		3,260.51		3,398.80
Statutory Liabilities		1,091.86		774.33
		4,352.37		**4,173.13**

26. CURRENT PROVISIONS

(Rs. in Lakhs)

		As at March 31, 2018		As at March 31, 2017
Provision for Employees' Benefits				
-Gratuity (Refer Note 33.11)	1,734.68		1,605.98	
-Leave Encashment (Refer Note 33.11)	366.12		290.72	
-Performance Related Pay (Refer Note 26.1)	3,264.00		3,264.00	
-Pension Fund	725.26		2,631.14	
-Pay revision	2,022.00	8,112.06	442.00	8,233.84
Others				
-Provision for refund of contingency charges		109.56		114.21
		8,221.62		**8,348.05**

Movement of Provisions:

Particulars	As at April 1, 2017	Amount utilised during the year	Provision made during the year	As at March 31, 2018
Performance Related Pay	3,264.00	-	-	3,264.00
Pension Fund	2,631.14	(2,041.69)	135.81	725.26
Pay revision	442.00	-	1,580.00	2,022.00

26.1 The provision of Rs. 3,264.00 lakh (Previous year: Rs. 3,264.00 lakh) towards Performance Related Pay (PRP) has been made by the Company during 1.4.2007 to 31.03.2017 in accordance with the guidelines of Department of Public Enterprises (DPE) on revision of pay scales as per 2nd Pay Revision Commission (2nd PRC). Pending approval of PRP by the competent authority, ad-hoc payments amounting to Rs. 1574.49 lakh (Previous Year Rs. 1569.92 lakh), net of recoveries from retired employees, were released to the employees with the approval of the Board of Directors as 'Interest free advances' against undertakings obtained from the employees to refund/ adjust the advance as per the decision of the competent authority.

The PRP interest free advance for the year 2017-18 is not under consideration by the Competent Authority in view of the huge expenditure to be incurred in the ongoing IECC project. The company has not therefore made any provision towards PRP for the year 2017-18.

27. REVENUE FROM OPERATIONS

(Rs. in lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017
Sale of Services				
Space Rent	24,549.35		26,393.99	
Government Grant- Revenue	1,295.71		621.84	
Receipts towards electricity & water charges	1,064.24		1,069.16	
Receipts towards other services	297.26		372.69	
Rent from Convention centre	553.96		633.65	
Hoardings	298.04		228.04	
Branding/ Sponsorship	3.27	28,061.84	119.24	29,438.61
Other Operating Revenue				
Sale of Entry Tickets / Seasonal Passes	589.35		750.55	
Subscriptions	34.54		9.48	
Advertisement- Publications	57.14		57.47	
Sale of Publications	2.77	683.80	5.60	823.10
		28,745.65		**30,261.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

28. OTHER INCOME

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
	Interest Income from				
	-Bank deposits & Saving bank accounts	9,948.88		12,462.28	
	-Inter- corporate deposits	1,630.56		603.83	
	-Loan to employees	76.40		90.65	
	-Others	1.95	11,657.79	1.38	13,158.14
	Dividend from Mutual Funds		9.23		5.59
	Rent (Refer Note 33.2)		267.15		196.85
	Other non-operating income				
	Profit/ (Loss) on Sale of Property, Plant & Equipment	54.91		(27.98)	
	Liabilities/Provisions no longer required, written back	172.00		141.98	
	Miscellaneous Income (Refer Note 28.1)	800.16	1,027.07	682.28	796.28
			12,961.24		**14,156.86**
28.1	Unrecognized penalty of Rs. 0.40 lakh (Cumulative upto 31.03.2018 - Rs. 773.13 lakhs) due to cancellation of events by the third party organisers has not been recognized as income and the same shall be accounted for in accordance with the Ind AS-18 as and when the amount is recovered/adjusted.				

29. EMPLOYEES' BENEFITS EXPENSE

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
	Salaries & Wages				
	Salaries, Wages & Allowances (Refer Note 29.1)	5,663.85		5,905.05	
	Other Perks & Allowances	978.78		1,027.41	
	Performance Related Pay (Refer Note 26.1)	-		184.00	
	Provision for Pay Revision (Refer Note 29.2)	1,580.00	8,222.63	442.00	7,558.46
	Contribution to Provident & Other Funds				
	Contribution to Provident Funds (Refer Note 33.11)	571.30		573.75	
	Contribution to Pension Funds (Refer Note 33.11)	451.65		306.14	
	Gratuity (Refer Note 33.11)	338.41		1,391.03	
	Leave Encashment (Refer Note 33.11)	466.61		797.81	
	Contribution to Other Funds	10.39	1,838.36	10.88	3,079.61
	Staff Welfare expenses				
	Medical expenses	381.44		333.89	
	Compensation for deceased employees	133.66		102.56	
	Other Staff Welfare expenses	154.19	669.29	178.51	614.96
			10,730.28		**11,253.03**
29.1	Includes Rs. 17.59 lakhs (Previous year Rs. 106.76 lakhs) on account of ex-gratia under the Voluntary Retirement Scheme.				
29.2	As per guidelines of DPE vide OM dated 03.08.2017 & 04.08.2017 and ITPO office orders dated 05.06.2018 & 02.07.2018.				

30. DEPRECIATION AND AMORTISATION EXPENSE

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
	Depreciation on Property, Plant & Equipment		809.73		922.48
	Amortization of Other Intangible Assets		28.59		7.32
			838.33		**929.79**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

31. OTHER EXPENSES

(Rs. in Lakhs)

	For the year ended 31.03.2018		For the year ended 31.03.2017	
Expenses related to sale of services				
Participation Charges		1,761.70		1,864.72
Construction & Interior Decoration		2,118.65		1,361.70
Publicity		488.19		559.61
Freight, Packing & Handling		48.92		38.26
Cultural Programmes & Fashion Shows		25.34		8.20
Interpreter wages		59.22		15.92
Travelling & Conveyance [includes Rs. 30.69 lakhs (Previous Year Rs. 16.25 lakhs) in respect of Directors]		354.05		320.02
Foreign Delegation		15.40		6.50
Difference in Exchange (net)		0.33		38.31
Other Operating Expenses				
Advertisement Expenses		60.73		53.59
Entertainment [includes through Directors Rs. 1.20 lakhs (Previous Year Rs. 0.93 lakhs)]		55.54		47.58
Commission		97.86		234.62
Electricity Charges		1,625.39		2,093.92
Water Charges		290.42		13.44
Maintenance of Pragati Maidan				
-Civil [includes Repairs to Buildings Rs. 5.54 lakhs in Previous Year]	270.11		217.84	
-Electrical	768.52		785.34	
-Horticulture	85.99		134.96	
-Conservancy Arrangements	254.28	1,378.90	319.73	1,457.87
Vehicle Maintenance	60.64		69.42	
(Less): Recoveries	(0.08)	60.56	(0.08)	69.34
Operation and Maintenance		368.03		353.67
Other Administrative Expenses				
Administration Charges (Outsourcing)		90.56		81.11
Repairs, Renewals & Maintenance		264.02		681.10
Security Expenses		745.05		761.94
Postage, Telegrams & Telephones		45.23		54.56
Insurance		15.78		12.87
Legal & Professional Charges		73.07		143.04
Seminar & Training		13.35		13.51
Books & Periodicals		19.33		19.08
Printing & Stationery		71.72		92.65
Corporate Social Responsibility Expenses (Refer Note 33.14)		389.42		340.81
Rates & Taxes	369.44		295.99	
(Less): Recoveries	-	369.44	(9.14)	286.85
Rent	131.37		110.66	
(Less): Recoveries	(1.40)	129.97	(1.40)	109.26
Fair value loss/ (gain) on mutual funds		2.88		(8.37)
Interest		2.83		15.30
Provisions/Write Offs		136.65		150.89
Other Miscellaneous Expenses		227.89		197.71
Sitting Fees to Directors		2.20		1.30
Bandwidth Charges		32.15		-
Auditor's Remuneration				
-Audit Fee	5.80		6.45	
-Tax Audit Fee	1.00	6.80	1.00	7.45
		11,447.57		**11,498.32**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

32. EXCEPTIONAL ITEMS

(Rs. in Lakhs)

		For the year ended 31.03.2018		For the year ended 31.03.2017	
	Depreciation		-		(197.60)
	Profit on sale of Land		1,311.81		5,076.02
	Loss on demolition on building for IECC project (Refer Note 3.5)		(1,378.39)		-
			(66.58)		**4,878.42**

33 OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Rs. in Lakhs)

33.1	**CONTINGENT LIABILITIES AND COMMITMENTS**		**As at March 31, 2018**		**As at March 31, 2017**
a)	**Contingent Liabilities (Refer Note 33.1.1)**				
	Claims against the Group Company not acknowledged as debts - Disputed liability not adjusted as expenses in the accounts for various years being in appeal towards:				
	Income Tax (also Refer Note 33.4)	587.51		693.91	
	Service Tax (amount deposited Rs. 881.31 lakhs)	1,022.45		1,022.45	
	Employee Provident Fund (amount deposited Rs. 100.00 lakhs)	1,695.57		1,695.57	
	Entertainment Tax	415.18		398.01	
	ESI	228.81	3,949.52	-	3,809.94
	Others - for which the company is contingently liable		2,541.43		6,998.41
			6,490.95		**10,808.35**
b)	**Capital Commitments**				
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		210,759.97		1,534.84

33.1.1 The Company is contesting these demands and the management including its advisors are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of above contingent liabilities and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending the decisions of the competent authorities.

33.2 NSC & Crafts Museum

Land and Development Office (L&DO), Ministry of Urban Development has leased out 123.51 acres of land for Pragati Maidan complex to the Company on perpetual lease of 99 years on 7th March 2011 out of which the combined area of 7.2623 acres is under the occupation of two Government Departments i.e. Crafts Museum and National Science Centre without a lease agreement. Cumulative rent of Rs. 9,982.57 lakhs (Previous year: Rs 9,335.99 lakhs) is not being paid and contested by them.

In view of uncertainty in realization of same, the rental income is not recognized in accordance with Ind AS-18. Further, the expenditure incurred on annual ground rent, paid to L&DO, is borne by the Company as the lease deed for the entire area is in the name of the Company.

33.3 In the opinion of the management, the value of assets other than Property, Plant and Equipment, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

33.4 INCOME TAX MATTERS

(i) Holding Company

A. Exemption of Income

The Director General of Income Tax (Exemptions) had withdrawn the Income-tax exemption, granted to ITPO under section 10(23C)(iv) of the Income Tax Act, 1961, since Assessment year 2009-10 onwards as per the amended proviso of Section 2(15) of the Income Tax Act, 1961 effective from 01.04.2008.

The Company had contested the withdrawal of exemption before the Hon’ble High Court of Delhi and got a favourable judgment on 22.01.2015 and accordingly the Chief Commissioner of Income Tax (Exemptions) vide order dated 02.03.2015 restored the aforesaid Income-tax exemption w.e.f. Assessment year 2009-10 onwards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

The Income Tax department has since filed a Special Leave Petition SLP (C) no. 9284 of 2017 before the Hon'ble Supreme Court against the order of the Hon'ble High Court of Delhi. The prayer of the Income Tax department for interim relief/ stay of operation of the judgment passed by the Hon'ble High Court of Delhi was not accepted by the Hon'ble Supreme Court and the matter has been tagged with other SLPs pending before Hon'ble Supreme Court on similar matters and the date of hearing is yet to be fixed.

Even though the matter of exemption is pending before the Hon'ble Supreme Court, the management is of the view that since the income-tax exemption has been restored by the Hon'ble High Court of Delhi, no provision for income-tax, interest and penalties is considered necessary from Assessment year 2009-10 onwards.

B. Demand for Income Tax

During the intervening time period, the Income Tax department passed the orders for the assessment years 2009-10 to 2011-12 denying the exemption u/s 10(23C)(iv) and raised demand of Rs. 15,589.86 lakhs against which Rs. 1319.00 lakhs was deposited under protest. Further, TDS refunds of Rs. 11,467 lakhs upto Assessment year 2015-16 have been withheld by the department. Appeals filed by the Company with CIT (Appeals) against the demands raised by the Income Tax department for the assessment years 2009-10 to 2011-12 were decided in favour of the Company against which the Income tax department has filed appeal with Income Tax Appellate Tribunal (ITAT) Delhi.

The TDS refunds of Rs. 11,467.00 lakhs and Rs. 1,319.00 lakhs paid by the Company aggregating to Rs. 12,786.00 lakhs have been reflected in the accounts under the head "Income Tax Recoverable" in Note 8 and have been considered good for recovery as at 31.03.2018 except to the extent of Rs. 426.00 lakhs.

(ii) Tamilnadu Trade Promotion Organization (TNTPO)

For the Assessment year 2006-07, the Income Tax Department has reopened the Assessment by issue of notice u/s 148 dated 28.03.2013 pointing out that there was an escapement of Income and raised demand of Rs.149.46 lakhs towards short fall in the Application of Income besides interest and penalty.

By contesting the same, TNTPO filed an appeal before the Commissioner of Income Tax (Appeals) against the said Assessment order and filed an application for stay of demand. As per the orders of stay of demand, TNTPO has remitted (under protest) 50% of the Tax Demand of Rs.74.73 lakhs

The Chief Commissioner of Income Tax, Chennai-III had withdrawn the Income Tax Exemption issued under section 10 (23C)(iv) of the Income Tax Act from the Assessment year 2009-10 onwards on the grounds that the Company is engaged in activities of trade, Commerce or business or rendering services in relation to trade, commerce or business as per the amended proviso of Section 2(15) of the Income Tax Act with effect from 01.04.2008.

Consequent to the withdrawal of exemption order issued under section 10 (23C) (iv), the Assessing Officer has raised demands for the Assessment Years 2009-10 to 2014-15 and the demands issued by the Assessing Officers, Tax deposited under protest and the status of the cases in addition to status of tax paid as per IT Returns filed pending assessment are tabulated below:

(Rs. in Lakhs)

Assessment Year	Total Demand (including interest) in Rs.	Total tax treated as paid under protest as per Accounts (Note 8)	Cases Pending with
2006-07	149.47	3,204.70	Commissioner of Income Tax (Appeals)
2009-10	446.38	-	Income Tax Appellate Tribunal
2010-11	358.59	-	
2011-12	585.56	-	
2012-13	968.50	-	Commissioner of Income Tax (Appeals)
2013-14	1,200.37	-	
2014-15	992.50	-	
2015-16	-	636.65	Tax paid and TDS claimed as per Return of Income
2016-17	-	575.78	
2017-18	-	795.92	
2018-19	-	1,003.17	
Total	**4,701.37**	**6,216.22**	

Breakup of Income taxes treated as paid under protest: (Rs. in Lakhs)

Income Tax Refund	971.50
Deposit-Income Tax Account	4,941.55
TDS Receivable - 2017-18	303.17
TOTAL	**6,216.22**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

The holding company (ITPO) had filed a writ petition challenging the provision of section 2 (15) of the Income Tax Act 1961, in the Hon'ble High Court of New Delhi and also won the case. ITPO got a favourable judgment from the Hon'ble High Court of Delhi on 22.01.2015. Consequently, the Income Tax Department has granted the Income Tax Exemption u/s 10 (23C) (iv) of the Income Tax Act, 1961 to ITPO.

As resolved by the Board at its 42nd Board Meeting held on 08.08.2013, accounting treatment of the Tax Liability in the books of accounts of TNTPO has to be in line with holding company (ITPO). As such, TNTPO is also following the action of holding Company and writs have been filed in the Hon'ble High Court Madras and the matter is subjudice. TNTPO is hopeful of getting a favourable decision like the holding Company ITPO, hence no provision for Income Tax liability for the AY 2009-10 to 2014-15 are made in the books of accounts, in line with the accounting treatment followed by holding Company ITPO. The appeals filed by TNTPO for various Assessment Years are pending for disposal. Pending disposal of these appeals, the company is contingently liable for the total demand of Rs. 4,701.38 lakhs as on 31st March 2017 which include the demand for withdrawal of exemption of Rs. 4,551.91 Lakhs and demand for escapement of Income of Rs. 149.46 lakhs.

The Company is also contingently liable for the AY 2015-16 to 2017-18 for which the Department is yet to take up the Assessment Proceedings and the amount of contingent liability is yet to be determined.

(iii) Karnataka Trade Promotion Organization (KTPO)

The organization had obtained exemption u/s 10(23C)(iv) of Income Tax Act, 1961 up to assessment year 2008-09. The organization applied for extension of exemption for the assessment years 2009-10, 2010-11, and 2011-12. 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 organization 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.

For Assessment Years 2010-11 to 2014-15, the Assessing Officer had denied the exemption claimed by the company u/s 11/ 10(23C)(iv) by applying the amended provisions of Sec. 2(15) of the Act. There is no tax liability for the assessment year 2010-11 since there is no excess of income over expenditure during the year as per the assessment order passed by the Assessing Officer. In response, the Company has filed appeals before the Hon'ble Commissioner of Income Tax (Appeals) stating that the organization does not attract the amended provision of Section 2(15) of the Act and is eligible to claim exemption u/s 10(23C)(iv) of the Act. Further, the stand of the Company has been ratified for the Assessment Years 2010-11,2011-12 and 2012-13 by the acceptance of its Appeals by the Commissioner of Income Tax vide its Orders dated30-08-2017, 16-06-2016and14-09-2017 respectively. However , the Income Tax Department has filed Appeals with Income Tax Appellate Tribunal for the Assessment Years 2010-11, 2011-12 and 2012-13 against the Orders of Commissioner of Income Tax (Appeals) passed in favour of Company. Till 31.03.2018, the total demands raised are Rs. 397.54 lakhs for Ass. Yr. 2013-14 and 2014-15 against which refunds of Rs. 154.07 lakhs are adjusted leaving balance demand of Rs. 243.47 lakhs . No provision has been made against the said demand but included in Contingent Liabilities.

The organization had received notice from the Additional Commissioner of Income Tax (Tech) -I 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 for reconsideration of its withdrawal proposal.

The position of Demands raised and adjusted till 31-03-2018 are as under : **(Rs. in Lakhs)**

Assessment Year	Demand Raised	Refund Adjusted	Balance Pending	Appeal Filed on
2013-14	238.80	70.50	168.30	15-04-2016
2014-15	158.75	83.57	75.18	14-12-2016

During 2017-18, the Company received an amount Rs. 1318.12 lakhs from Bangalore Metro Rail Project Corporation Limited towards acquisition of Company's land towards Bangalore Metro Rail Project which has resulted in a profit of Rs.1311.81 lakhs and the Company intends to spend the profit as per Section 11 (2) of the Income Tax Act 1961.

(iv) National Centre for Trade Information (NCTI)

The Company has been granted exemption u/s 10(23C)(iv) of the Income Tax Act 1961 in respect of its income for the assessment years 1996-97 to 1998-99 & has applied for renewal of exemption for the subsequent years which is pending with the Income Tax Authorities. The company had applied for renewal of such exemption but the same has not been granted till date. However in anticipation of renewal of exemption, no provision for Income Tax has been made.

33.5 DEFERRED TAX ASSET/ LIABILITY

In view of the income of ITPO being held to be exempt under section 10(23C)(iv) of the Income Tax Act, 1961 as per the order of the Hon'ble High Court of Delhi and in view of the management the SLP filed by Income tax department is likely to be in their favour hence the deferred tax assets/ liabilities have not been recognized.

33.6 CONFIRMATION OF BALANCES

Balances appearing under Trade Receivables, Loans & Advances, Trade Payables and other parties etc. are subject to reconciliation/ confirmation. The impact, if any, subsequent to the confirmation/ reconciliation will be taken in the year of confirmation/ reconciliation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.7 INTERNATIONAL EXHIBITION CUM CONVENTION CENTRE (IECC) PROJECT

a) International Exhibition cum Convention Centre (IECC) project for redevelopment of Pragati Maidan complex was approved by the Government of India (GOI) in the Cabinet Committee of Economic Affairs (CCEA) meeting held on 24.1.2017 at a cost of Rs. 2,25,400 lakhs, since revised to Rs. 2,69,851 lakhs. The project, as per approval, will be funded from Company's resources of Rs. 1,20,000 lakhs and balance by term loan from bank secured by Guarantee from the Government of India .

b) The Cabinet has further approved on 13.6.2018, the waiver of demand of Rs. 9663.42 lakhs raised by L&DO on 21.4.2017 in connection with IECC project.

c) Further, the Cabinet on 13.6.2018 has also approved monetization of 3.70 acres of land at Pragati Maidan complex for construction and operation of a hotel by a third party including private sector to finance the project and accordingly the loan from bank will stand reduced to that extent.

d) The Cabinet has also in its meeting on 13.06.2018 approved the waiver of unearned increase/ premium payable to L&DO on account of transfer of land to a third party for the hotel.

e) NBCC, a Public Sector Undertaking, has been appointed as the Project Management Consultant (PMC) for the project and an agreement has been entered into with the NBCC.

f) The work done by NBCC and booked as per the agreement of Rs. 28,397.05 lakhs up to 31.03.2018 has been shown as Capital Work-in-Progress in Note No. 3, advance of Rs. 32,022.54 lakhs paid for the project has been shown under Capital Advances in Note 9. Consequently against the approved cost of Rs 2,69,851 lakhs amount of Rs. 2,09,431.41 lakhs is included as Capital Commitments for the project in Note 33.1(b)

33.8 EXPANSION PROJECT OF CHENNAI TRADE CENTRE (CTC)

In case of Group Company Tamil Nadu Trade Promotion Organisation (TNTPO), the Board of Tamil Nadu Trade Promotion Organisation (TNTPO) in its 48th Board Meeting held at New Delhi on 24.11.2016 approved the expansion of TNTPO for the total project outlay of Rs. 289 crores. The salient features of expansion of TNTPO include additional rentable exhibition area of 15,700 sq. meters and total car parking facility of 2940 cars, besides creation of other facilities like utility building, restaurant, integrated building management system , lift and escalator facilities etc.

TIES grant of Rs. 20 crores have been sanctioned and first installment of Rs. 10 crores were released by Department of Commerce, Government of India , vide letter No. F.No.K-46012/7/2017-States Cell dated 06.11.2017. The same has been disclosed under Other Equity (Note No. 18) as Govt. Grant received from TIES for the expansion project of CTC. Separate bank account has not been created for operation of this capital grant for this purpose of expansion project. This capital grant amount of Rs. 10 crore, along with general fund of Rs. 5 crores of TNTPO has been deposited in combined Fixed Deposit which requires clear demarcation of grant funds. Proportionate interest on such deposit representing capital grant amounting to Rs. 15.90 lakhs is credited to Capital Grant Fund Account.

Financing pattern of TNTPO's expansion project as Rs. 85 crores from internal accruals, Rs. 20 crores from TIES Grant and Rs. 184 crores from bank loan was approved by the board of TNTPO and the proposal was submitted for approval of the Department of Commerce, Ministry of Commerce and Industries, New Delhi and approval is awaited from Department of Commerce, Govt. of India.

Financing pattern of TNTPO's expansion project as Rs. 85 crores from internal accruals, Rs. 20 crores from TIES Grant and Rs. 184 crores from bank loan was approved by the board of TNTPO and the proposal was submitted for approval of the Department of Commerce, Ministry of Commerce and Industries, New Delhi and approval is awaited from Department of Commerce, Govt. of India.

33.9 SERVICE TAX MATTERS

(i) Holding Company

(a) Service Tax demand of Rs. 1,087.95 lakhs for the period 2006-07 to 2009-10 comprising service tax of Rs. 1,064.27 lakhs and interest of Rs. 23.68 lakhs was raised on the Company by Commissioner of Service Tax. The said demand was contested and The Commissioner of Customs and Central Excise vide order dated 22.01.2015 revised the demand to Rs. 410.41 lakhs and restricted penalty to Rs. 410.41 lakhs and Rs. 0.10 lakh & interest till the date of payment with the condition that penalty amount would stand waived by 75% in case payment is made within 30 days.

An appeal against the aforesaid order was filed before CESTAT on 24.04.2015, modified appeal has been filed on 09.02.2017 on the directions of CESTAT. In the meanwhile, the Company deposited the service tax of Rs. 410.41 lakhs, penalty of Rs. 102.70 lakhs and interest of Rs. 368.20 lakhs aggregating to Rs. 881.31 lakhs on 25.02.2015, under protest and the amount has been reflected in the accounts under the head "Service Tax Recoverable" in Note 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

b) Further, the following demand cum show cause notices for service tax (interest and penalties not quantified) were served by the Service Tax department for the undernoted years:

(Rs. in lakhs)

Year	Amount
2011-12	42.77
2012-13	51.68
2013-14	46.69
Total	**141.14**

The Company based on the expert opinion, considers that the various matters above, on which the demands/ demand-cum-show cause notices were served, does not fall within the ambit of service tax.

The demands at a) and b) above have been contested by the Company with the respective authorities and accordingly no provision for the aforesaid demands aggregating to Rs. 1,022.45 lakhs have been considered necessary in the accounts as at 31.03.2018. However, this demands of Rs. 1,022.45 lakhs have been shown as a Contingent Liability in Note 33.1

(ii) Tamilnadu Trade Promotion Organisation (TNTPO)

The Present Status of Service Tax issue with respect to demand for service tax on the share of income from sale of ticket for various periods as given below.

Particulars	Order in Original	Order in Appeal	Period	Demand in Rs.	Pre-Deposit 10% on Demand made	Present Status
SCN No.456/2011 dt.13.10.2011	OIO No.115/2013 dt.17.12.2013	OIA No.546 & 547/2016 (STA-1) dt.01.09.2016	Apr'06 to Mar'11	19.53	2.77	Appeal filed on 30.11.2016 and pending before CESTAT
SCN No.07/2013 dt.17.01.2013			Apr'11 to Mar'12	6.51		
SOD 07/2014 dt.25.03.2014	OIO No.19/2015 dt. 20.07.2015		Apr'12 to Jun'12	1.68		
SCN No.290/2014 dt.08.10.2014	OIO No.84 & 85/2016 dt. 23.03.2016	OIA No.126/2017 dt 31.07.2017	July'12 to Mar'13	6.16	1.23	Appeal filed on 14.11.2017 and pending before CESTAT
SOD No.16/2015 dt.24.03.2015			Apr'13 to Mar'14	6.17		
SOD No.09/2016 dt.06.04.2016	OIO No. 01/2017 dated 15.06.2017	OIA No.452 /2017(CTA-II) dated 29.12.2017	Apr'14 to Mar'15	5.46	1.21	Appeal filed on 20.03.2018 and pending before CESTAT
SOD No.01/2017 dt.11.01.2017	OIO No. 02/2017 dated 15.06.2017	OIA No.453/2017(CTA-II) dated 29.12.2017	Apr'15 to Mar'16	6.61		
				52.12	**5.21**	

The Group Company, TNTPO is contingently liable for Service Tax of Rs. 52.12 lakhs excluding interest and penalties , if any amount not quantified.

33.10 LEASES

The Company's significant leasing arrangements are in respect of operating leases relating to its leased office premises and properties. These lease arrangements which are cancellable, are generally renewable by mutual consent. The aggregate lease rental income and lease rent paid are disclosed in Note 27 and 31 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.11 EMPLOYEES' BENEFITS

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

I Define Contribution Plans

Provident Fund

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

The Subsidiary Company (TNTPO) pays its contribution relating to the Provident Fund of its employees, at the prescribed rates to the EPFO. The contribution for the year is recognized as expense and is charged to the Statement of Income and Expenditure.

The Subsidiary Company (KTPO) is not registered under PF Act, as the same is presently not applicable to the organisation.

Pension Fund

The Company is under obligation to contribute specified amounts towards the Superannuation benefit of the employees to the ITPO Employees Defined Contribution Superannuation Trust. 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 recognizes such shortfall as its expense.

Expense charged to the statement of Income & Expenditure as employer's contribution to these funds during the year is as under:

	2017-18	2016-17
Employer's contribution towards Provident Fund	571.30	573.75
Employer's contribution towards Pension Fund	451.65	306.14
	1,022.95	**879.89**

II. Defined Benefits Plans

Gratuity

The Holding Company has a defined benefit gratuity scheme. The Scheme is funded. In case of ITPO, a separate ITPO Employees Gratuity Fund Trust manages the affairs of the trust. The funds of the trust are managed by LIC. In case of TNTPO, the scheme is managed by LIC. It is recognized in the books of the Company on the basis of actuarial valuation. Every employee who has rendered continuous service of 5 years or more is entitled to get gratuity at the rate of 15 days salary [15/26 x (last drawn basic salary + dearness allowance)] for each completed year of service subject to a maximum of Rs. 20.00 lakhs, as per rules of the Company/ DPE guidelines on the subject.

In case of Group Company (KTPO), there is no liability 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.

i. Expenses recognized in the statement of Income and Expenditure (Rs. in Lakhs)

	2017-18	2016-17
Net Interest cost	114.20	20.58
Service cost	224.21	1,370.15
Expenses recognized in the statement of Income & Expenditure Account	**338.41**	**1,390.73**
Remeasurements:		
Opening unrecognized Actuarial Gain/ (loss)	(190.62)	27.59
Actuarial gain/ (loss) for the year due to change in:	5.05	(1.79)
-Demographic Assumption	-	-
-Financial Assumption	(110.76)	(196.81)
-Experience Assumption	112.52	(19.61)
OCI recognized for the year	6.81	(218.21)
Net actuarial gain/(loss) unrecognized in OCI at the end of the year	(183.81)	(190.62)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

ii. The amount recognized in the Balance Sheet **(Rs. in Lakhs)**

	As at March 31, 2018	As at March 31, 2017
Present value of the obligation at end of the year	6,288.31	5,932.97
Fair value of plan assets at end of period	4,558.72	4,290.90
Net liability recognized in Balance Sheet and related analysis	**1,729.59**	**1,642.07**
Funded/ (unfunded) Status	(1,729.59)	(1,642.07)

iii. Changes in the Present Value of Obligations: **(Rs. in Lakhs)**

	2017-18	2016-17
Present value of the obligation at the beginning of the year	5,932.97	4,392.71
Difference in Opening	30.76	89.43
Acquisition in	11.51	6.87
Interest cost	421.09	358.57
Service cost	224.21	1,370.15
Benefits paid	(325.70)	(503.45)
Actuarial (gain)/loss	(6.53)	218.68
Present value of the obligation at the end of the year	**6,288.31**	**5,932.97**

iv. Maturity Profile: **(Rs. in Lakhs)**

Year	As at March 31, 2018	As at March 31, 2017
0 to 1 Year	1033.68	720.76
1 to 2 Year	869.60	1149.03
2 to 3 Year	524.25	563.54
3 to 4 Year	426.13	537.88
4 to 5 Year	458.94	512.29
5 to 6 Year	478.94	548.42
6 Year onwards	2495.63	1882.30

v. Sensitivity Analysis of the defined benefit obligation: **(Rs. in Lakhs)**

	2017-18
a) Impact of the change in discount rate	
Present Value of Obligation at the end of the year	6,288.31
a) Impact due to increase of 0.50 %	(360.66)
b) Impact due to decrease of 0.50 %	87.73
b) Impact of the change in salary increase	
Present Value of Obligation at the end of the year	6,288.31
a) Impact due to increase of 0.50 %	101.14
b) Impact due to decrease of 0.50 %	(352.89)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

vi. The assumptions employed for the calculations are tabulated below:

	As at March 31, 2018	**As at March 31, 2017**
Discount rate	7.60% per annum	7.06% per annum
Salary Growth Rate	8.00% per annum	5.00% per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

Note:

a) The Discount rate taken by TNTPO for actuarial valuation of gratuity is 7.59% and 7.06% for 31.03.2018 and 31.03.2017 respectively.

b) The Salary Growth Rate taken by TNTPO for actuarial valuations above is 8.00% and 5.00% for 31.03.2018 and 31.03.2017 respectively.

vii. Expected contribution for the next Annual reporting period **(Rs. in Lakhs)**

	2017-18	**2016-17**
Service Cost	232.89	229.49
Net Interest Cost	131.07	112.34
Expected Expense for the next annual reporting period	**363.95**	**341.83**

viii. Major categories of plan assets (as percentage of total plan assets)

	As at March 31, 2018	**As at March 31, 2017**
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds Managed by Insurer	100%	100%
Bank Balance	-	-
Total	**100%**	**100%**

ix. Change in Fair Value of Plan Assets

	As at March 31, 2018	**As at March 31, 2017**
Fair value of plan assets at the beginning of the period	4,278.51	4,224.75
Difference in Opening Fund	54.99	1.01
Interest Income on Plan Assets	1.04	-
Actual return on plan assets	320.70	335.22
Less- FMC Charges	(9.75)	-
Employer contribution	226.55	233.37
Benefits paid	30.76	89.43
Fair value of plan assets at the end of the period	**4,902.80**	**4,883.78**

III. Other Long Term Employee Benefits

Leave Encashment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

In case of KTPO, there is no liability 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.

i. Expenses recognized in the statement of Income and Expenditure **(Rs. in Lakhs)**

	2017-18	2016-17
Interest cost	191.72	180.54
Service cost	103.78	114.03
Net actuarial (gain)/loss recognized in the period	171.49	500.03
Expenses recognized in the statement of Income and Expenditure	**466.99**	**794.60**

ii. The amount recognized in the Balance Sheet **(Rs. in Lakhs)**

	As at March 31, 2018	As at March 31, 2017
Present value of the obligation at end of the year	2,566.90	2,715.28
Net liability recognized in Balance Sheet and related analysis	2,566.90	2,715.28
Unfunded Status	(2,566.90)	(2,715.28)

iii. Changes in the present value of the Present Value of Defined Benefit Obligations: (Rs. in Lakhs)

	2017-18	2016-17
Present value of the obligation at the beginning of the year	2,715.28	2295.97
Difference in Opening	-	22.89
Acquisition in	4.77	10.15
Interest cost	191.72	180.54
Service cost	103.78	114.03
Benefits paid	(620.13)	(408.35)
Actuarial (gain)/loss	171.49	500.03
Present value of the obligation at the end of the year	**2,566.90**	**2,715.28**

iv. Maturity Profile: **(Rs. in Lakhs)**

Year	As at March 31, 2018	As at March 31, 2017
0 to 1 Year	366.12	290.72
1 to 2 Year	355.62	349.59
2 to 3 Year	233.56	341.41
3 to 4 Year	284.25	222.89
4 to 5 Year	204.58	276.63
5 to 6 Year	228.22	188.92
6 Year onwards	890.69	1,038.14

v. Sensitivity Analysis of the defined benefit obligation: **(Rs. in Lakhs)**

	2017-18	
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the year	2,566.90	
a) Impact due to increase of 0.50 %	(68.79)	
b) Impact due to decrease of 0.50 %	72.32	
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the year	2,566.90	
a) Impact due to increase of 0.50 %	72.98	
b) Impact due to decrease of 0.50 %	(69.95)	

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

	vi. Bifurcation of PBO at the end of year in current and non current		**(Rs. in Lakhs)**
		2017-18	**2016-17**
	Current liability (Amount due within one year)	366.12	290.72
	Non-Current liability (Amount due over one year)	2,200.79	2,424.55
	Total PBO at the end of year	**2,566.91**	**2,715.28**
	vii. The assumptions employed for the calculations are tabulated below:		
		As at March 31, 2018	**As at March 31, 2017**
	Discount rate	7.63% per annum	7.06% per annum
	Salary Growth Rate	8.00% per annum	5.00% per annum
	Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
	Withdrawal rate (Per Annum)	2.00% per annum	2.00% per annum

Note:

a) The Discount rate taken by TNTPO for actuarial valuation of leave encashment is 7.63% and 7.06% for 31.03.2018 and 31.03.2017 respectively.

b) The salary Growth Rate taken by TNTPO for actuarial valuation of leave encashment is 8% per annum

c) The Withdrawal rate taken by TNTPO for actuarial valuation of leave encashment is 2.00% per annum.

33.12	**EARNINGS PER SHARE**		**As at March 31, 2018**	**As at March 31, 2017**
	Surplus for the year	(Rs. in lakhs)	16,144.86	21,535.17
	Equity shares	(Nos.)	25,000	25,000
	Nominal value per share	(Rs.)	100.00	100.00
	Earnings per share (Basic/ Diluted)	(Rs. in lakhs)	0.65	0.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.13 RELATED PARTY DISCLOSURES

(a) LIST OF RELATED PARTIES

Name of Related Parties	Principal Place of Operation	Nature of relationship
ITPO Employees Contributory Provident Fund Trust	India	Post -Employment Benefit Plan of Employee
ITPO Employees Group Gratuity Fund Trust	India	Post- Retirement Benefit Plan of Employee
ITPO Employees Defined Contribution Superannuation Trust	India	Post- Retirement Benefit Plan of Employee
Tamilnadu Industrial Development Corporation Ltd (TIDCO)	India	Co-promoter of Subsidiary Company- TNTPO
Karnataka Industrial Area Development Board (KIADB)	India	Co-promoter of Subsidiary Company- KTPO

(b) KEY MANAGEMENT PERSONNEL

Name	Position held
Holding Company ITPO	
Sh. L C Goyal	Chairman & Managing Director
Sh. Rajneesh (till 24.05.2017)	Executive Director
Sh. Deepak Kumar (w.e.f. 25.05.2017)	Executive Director
Sh. J K Dadoo	Nominee Director
Sh. Manoj Joshi	Nominee Director
Sh. Sanjay Chadha	Nominee Director
Sh. K Nagaraj Naidu	Nominee Director
Sh. P N Vijay	Independent Director
Sh. D M Sharma	CFO
Sh. S R Sahoo	Company Secretary
Subsidiary Company- Tamilnadu Trade Promotion Organisation	
Sh. S Visakan	Managing Director
Subsidiary Company- Karnataka Trade Promotion Organisation	
Sh. T Halaswamy (till 31.7.2017)	Managing Director
Dr. Veeranna S H (w.e.f. 24.8.2017)	Managing Director

(c) COMPENSATION FOR KEY MANAGEMENT PERSONNEL during the year

	Name Of Person	Designation	Salary & Allowances	Perks	Total Remuneration
	Holding Company- ITPO				
1	Sh. L C Goyal	Chairman & Managing Director	14.14	9.60	23.74
2	Sh. Deepak Kumar	Executive Director	22.64	0.95	23.59
3	Sh. P N Vijay [Sitting fee of Rs. 2.20 lakhs (Refer Note 31)]	Independent Director	-	-	-
4	Sh. D M Sharma	CFO	25.09	-	25.09
5	Sh. S R Sahoo	Company Secretary	19.83	0.01	19.84
	Subsidiary Company- Tamilnadu Trade Promotion Organisation				
	Sh. S Visakan	Managing Director	14.69	0.35	15.04
	Subsidiary Company- Karnataka Trade Promotion Organisation				
	Sh. T Halaswamy	Managing Director	5.55	-	5.55
	Dr. Veeranna S.H	Managing Director	8.22	-	8.22

Note: Related parties and their relationship is as identified by the respective company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

(Rs. in lakhs)

(d)	**TRANSACTIONS WITH RELATED PARTIES**	**2017-18**	**2016-17**
	ITPO Employees Contributory Provident Fund Trust		
	Contribution by the Company	1,913.20	569.83
	ITPO Employees Group Gratuity Fund Trust		
	Contribution by the Company	215.70	1,387.85
	ITPO Employees Defined Contribution Superannuation Trust		
	Contribution by the Company	2294.65	-
	Karnataka Industrial Area Development Board (KIADB)		
	Due for services	5.00	5.00
(e)	**OUTSTANDING BALANCES WITH RELATED PARTIES**		
	Particulars	**31.03.2018**	**31.03.2017**
(i)	**Payable by Company**		
	ITPO Employees Contributory Provident Fund Trust	15.76	-
	ITPO Employees Gratuity Fund Trust	1,724.56	1,607.53
	Karnataka Industrial Area Development Board (KIADB)- interest free loan	605.00	605.00
	Karnataka Industrial Area Development Board (KIADB)- for services	81.43	76.43
(ii)	**Receivable by Company**		
	ITPO Employees Defined Contribution Superannuation Trust	0.01	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.14 **CORPORATE SOCIAL RESPONSIBILITY**

(i) **Holding Company**

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been constituted by the Company. The amount of Rs. 360.64 lakhs is payable towards CSR expenses based on average net profit (calculated as per section 198 of the Companies Act, 2013) of the preceeding three financial years. The details of the amount spent/pending to be spent during the year is as under:

(Rs. in lakhs)

	Amount spent in cash during the year ended 31 March, 2018	Amount yet to be paid in cash as at 31 March, 2018	Total Amount
- Gross amount lying pending for the earlier year as at 01.04.2017			**329.42**
- Gross amount required to be spent during the year			**360.64**
- Amount spent during the year			
a. Construction/ acquisition of assets	-	-	-
b. Contribution to various Government departments/NGO/Trust etc. for the following social sectors:			
- Sanitation	200.00	-	200.00
- Health Care	-	30.00	30.00
- Education	-	5.00	5.00
- Social Welfare	53.27	10.40	63.67
- Art & Culture	5.00	-	5.00
- Women Funds	8.00	22.00	30.00
	266.27	**67.40**	**333.67**
- Gross amount lying pending as at 31.3.2018			**356.39**

(ii) **In case of Subsidiary Companies, Karnataka Trade Promotion Organisation (KTPO) and Tamil Nadu Trade Promotion Organisation (TNTPO):**

(Rs. in Lakhs)

Particulars	**TNTPO Amount**	**KTPO Amount**
Average net profit of the Company for last three financial years	2,538.69	467.64
Prescribed CSR expenditure (2% of the average net profit as computed above)	50.77	9.35
Details of CSR expenditure during the financial year:		
Total Amount to be spent for the financial year (As per the Board approval)	50.77	
Amount Spent for the year 2017-18	50.77	2.41
Amount Unspent for 2017-18	-	6.94
Amount Unspent for 2016-17		8.52
Amount Unspent for 2015-16		8.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.15	**Financial Instruments - Fair Values Measurement and Financial Risk Management**				
I	**Fair Value Measurements**				**(Rs. in Lakhs)**
A.	**Financial Instruments by Category**	**As at 31 March 2018**		**As at 31 March 2017**	
		FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
	Financial Assets				
	Non-current assets				
	Investments	-	-	-	-
	Loans	-	521.22	-	618.93
	Current assets				
	Investments	78.75	-	72.40	-
	Trade receivables	-	936.18	-	870.27
	Cash and cash equivalents	-	4,059.02	-	4,924.19
	Bank balances other than cash and cash equivalents	-	116,112.64	-	163,461.94
	Loans	-	2,189.17	-	1,913.76
	Other Financial assets	-	31,383.30	-	12,925.08
		78.75	**155,201.53**	**72.40**	**184,714.17**
	Financial Liabilities				
	Current Borrowings	-	605.00	-	24.50
	Trade payables	-	1,898.12	-	2,048.16
	Other financial liabilities	-	4,072.18	-	4,307.47
		-	**6,575.30**	**-**	**6,380.13**

B. **Fair Value Hierarchy**

This explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b)measured at amortised cost and for which fair values are disclosed in the financial statements.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level-2.
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is given in the table below.

Financial assets and liabilities measured at fair value-recurring fair value measurements **(Rs. in Lakhs)**

	As at 31 March 2018			As at 31 March 2017		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets measured at FVTPL						
Investments in Mutual Funds	78.75	-	-	72.40	-	-
Total Financial Assets	**78.75**	**-**	**-**	**72.40**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed **(Rs. in Lakhs)**

	As at 31 March 2018			As at 31 March 2017		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial Assets						
Non-current assets						
Investments	-	-	-	-	-	-
Loans	-	-	521.22	-	-	618.93
Current assets						
a) Trade Receivables	-	-	936.18	-	-	870.27
b) Cash and Cash Equivalents	-	-	4,059.03	-	-	4,924.19
c) Bank Balances other than Cash and Cash Equivalents	-	-	116,112.64	-	-	163,461.94
d) Loans			2,189.17			1,913.76
e) Other Financial assets	-	-	31,383.30	-	-	12,925.08
	-	**-**	**155,201.53**	**-**	**-**	**184,714.17**
Financial Liabilities						
Current Borrowings	-	-	605.00	-	-	24.50
Trade payables	-	-	1,898.12	-	-	2,048.16
Other financial liabilities	-	-	4,072.18	-	-	4,307.47
Total Financial Liabilities	-	**-**	**6,575.30**	-	**-**	**6,380.13**

C. **Fair Value of financial assets and liabilities measured at amortised cost:** **(Rs. in Lakhs)**

	As at 31 March 2018		As at 31 March 2017	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Financial Assets				
Non-current assets				
Investments	-	-	-	-
Loans	521.22	521.22	618.93	618.93
Current assets				
a) Trade Receivables	936.18	936.18	870.27	870.27
b) Cash and Cash Equivalents	4,059.03	4,059.03	4,924.19	4,924.19
c) Bank Balances other than Cash and Cash Equivalents	116,112.64	116,112.64	163,461.94	163,461.94
d) Loans	2,189.17	2,189.17	1,913.76	1,913.76
e) Other Financial assets	31,383.30	31,383.30	12,925.08	12,925.08
	155,201.53	**155,201.53**	**184,714.17**	**184,714.17**
Financial Liabilities				
Current Borrowings	605.00	605.00	24.50	24.50
Trade Payables	1,898.12	1,898.12	2,048.16	2,048.16
Other Current Financial Liabilities	4,072.18	4,072.18	4,307.47	4,307.47
	6,575.30	**6,575.30**	**6,380.13**	**6,380.13**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances, other current financial assets and liabilities are considered to be the same as their fair value, due to their short term nature.
The fair value of loans were calculated based on cash flows using MCLR/ base rate of SBI. They are classified as level 3 fair values in their fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

D. **Financial risk management**

The Company's principal financial liabilities comprise trade and other payables. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds investment in mutual funds. The Company's activities expose it to some of the financial risks: market risk, credit risk and liquidity risk.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises Foreign Currency Risk and Interest rate risk. Financial instruments affected by market risk includes trade receivables and trade payables.

(i) Foreign Currency Risk

The company operated internationally and is exposed to insignificant foreign currency risk arising from foreign currency transactions, Company does not hedge any foreign currency risk for foreign currency transactions.

Foreign currency exposures that are not hedged by derivative instruments are given below:

(Rs. In Lakhs)

Foreign Currency (FC)	Note no.	Currency Symbol	As at 31st March, 2018	
			FC	INR
Assets				
CASH & CASH EQUIVALENTS	12			
Balances with Banks- Current & Savings account				
Yen		¥	7.9215	4.77
United States Dollar		$	0.0605	3.89
Cash on hand				
Euro		€	0.0307	2.41
Yen		¥	1.6887	1.02
United States Dollar		$	0.0194	1.25
OTHER CURRENT ASSETS	16			
Advances to vendors (Unsecured)				
Yen		¥	12.9895	7.82
Euro		€	2.6355	207.59
Euro		€	0.0668	5.26
United States Dollar		$	1.0606	68.20
United States Dollar		$	0.0500	3.22
Deutche Mark		DEM	0.0438	2.98
Sundry Deposits (Unsecured)				
United States Dollar		$	0.0141	0.91
Malaysian Ringgit		MYR	0.0035	0.06
Liabilities				
TRADE PAYABLES	23			
Euro		€	1.1776	94.79
Net Assets (in INR)				**214.59**

ii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company manages its interest risk in accordance with the companies policies and risk objective. Financial instruments affected by interest rate risk includes deposits with banks and Inter corporate deposits with NBFC's etc. Interest rate risk on these financial instruments are very low as interest rate is fixed for the period of financial instruments.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

(i) Provision for Expected Credit Losses

As at 31st March 2018

a) Expected Credit Loss for Trade Receivables under simplified Approach

Ageing	**< 6 M**	**> 6 < 12**	**> 12 < 24**	**> 24 < 36**	**> 36**	**Total**
Gross Carrying Amount	543.21	63.72	132.46	79.43	1,365.85	2,184.67
Expected Credit rate	0.00%	0.00%	0.00%	0.00%	91.41%	57.15%
Expected Credit losses (Loss provision Allowance)	-	-	-	-	(1,248.49)	(1,248.49)
Gross Carrying Amount of Trade Receivables	**543.21**	**63.72**	**132.46**	**79.43**	**117.36**	**936.18**

b) Expected Credit Loss for loans and investments

Particulars		**Assets Group**	**Carrying Value**	**Expected Probability of Default**	**Expected credit Loss**	**Carrying Amount Net of Expected credit Loss**
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Grant Recoverable from Government of India	732.82	2.93%	21.47	711.35
		Due in Respect of Deposit Work	91.75	45.48%	41.73	50.02
			824.57	**0.48**	**63.20**	**761.37**

As at 31st March 2017

a) Expected Credit Loss for Trade Receivables under simplified Approach

Ageing	**< 6 M**	**> 6 < 12**	**> 12 < 24**	**> 24 < 36**	**> 36**	**Total**
Gross Carrying Amount	417.31	231.33	134.74	83.90	1,455.86	2,323.14
Expected Credit rate	0.00%	0.00%	0.00%	0.00%	99.79%	62.54%
Expected Credit losses (Loss provision Allowance)	-	-	-	-	(1,452.87)	(1,452.87)
Gross Carrying Amount of Trade Receivables	**417.31**	**231.33**	**134.74**	**83.90**	**2.99**	**870.27**

b) Expected Credit Loss for loans and investments

Particulars		**Assets Group**	**Carrying Value**	**Expected Probability of Default**	**Expected credit Loss**	**Carrying Amount Net of Expected credit Loss**
Loss allowance measured at Life Time ECL	Financial assets for which credit risk has increased and not credit impaired	Grant Recoverable from Government of India	238.97	0.62%	1.48	237.49
		Due in Respect of Deposit Work	82.23	50.75%	41.73	40.50
			321.20	**0.51**	**43.21**	**277.99**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's finance division is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

(Rs. In Lakhs)

Particulars	As at 3/31/2018		As at 3/31/2017	
i) Financial Assets				
a) Investments	78.75		72.40	
b) Trade Receivables	936.18		870.27	
c) Cash and Cash Equivalents	4,059.03		4,924.19	
d) Bank Balances other than Cash and Cash Equivalents	116,112.64		163,461.94	
e) Loans	2,189.17		1,913.76	
f) Other Financial assets	31,383.30	154,759.07	12,925.08	184,167.64
ii) Financial Liabilities				
a) Trade Payables	1,898.12		2,048.16	
b) Borrowings	605.00		24.50	
c) Other Financial Liabilities	4,072.18	6,575.30	4,307.47	6,380.13
Net Working Capital		**148,183.77**		**177,787.51**

33.16 **Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, capital grant from Government of India and retained earnings treated as other equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.17 **Segment reporting for the year ended 31st March 2018**

The operating segments are identified on the basis of internal reports used by the Company's Management to allocate resources and assess their performance for decision making. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" (CODM) within the meaning of Ind AS 108.

(Rs. In Lakhs)

	Trade promotion activities in India	Trade promotion activities Abroad	Unallocated	Total
Revenue-External	26,814.34	4,092.52	335.18	31,242.04
	(31,491.43)	(3,514.42)	-	(35,005.85)
Inter-segment	-	-	-	-
Total Expenses	15,748.86	5,463.56	2,964.89	24,177.32
	(22,203.52)	(4,738.56)	4,261.40	(22,680.68)
Segment result	11,065.48	(1,371.04)	(2,629.71)	7,064.72
	(9,287.90)	(1,224.14)	(4,261.40)	(12,325.17)
Interest/Dividend income	-	-	11,557.51	11,557.51
	-	-	(13,071.70)	(13,071.70)
Surplus before taxation	-	-	-	18,622.23
	-	-	-	(25,396.87)
Excess of income over expenditure	-	-	-	**18,622.23**
	-	-	-	(25,396.87)
Other information				
Segment assets	85,089.39	1,066.40	170,206.43	256,362.22
	(56,076.82)	(590.60)	(180,771.15)	(237,438.57)
Segment liabilities	29,156.41	594.67	11,234.57	40,985.65
	(27,048.70)	(455.25)	(11,188.16)	(38,692.11)
Capital expenditure	30,390.50	-	-	30,390.50
	(695.43)	-	-	(695.43)
Depreciation & Amortisation	838.33	-	-	838.33
	(1,191.95)	-	-	(1,191.95)

NOTE:

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

(b) The unallocated assets and liabilities include those which are not possible to be appropriately identified to a specific segment.

(c) Figures in brackets in the Segment Report relate to the previous year.

Information about major customers (from external customers)

The company does not derive any revenue from external customers which amounts to 10 percent or more of an entity's revenues.

33.18 **Reconciliation of Holding Company (ITPO) accounts with the Subsidiary Companies**

The ledgers of Holding company are reconciled with those of the Subsidiary Companies and the differences are NIL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.19 Disclosure as per Schedule III to the Companies Act 2013 (Rs. In Lakhs)

Name of the Entity in the Group	Net assets i.e. total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated Income & Expenditure	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company								
India Trade Promotion Organisation								
31st March 2018	84.92%	217,696.29	73.03%	13,591.15	60.73%	6.81	73.02%	13,597.95
31st March 2017	85.99%	204,181.90	67.45%	17,281.14	98.16%	(218.21)	67.19%	17,062.94
Subsidiary Companies								
Tamilnadu Trade Promotion Organisation								
31st March 2018	5.06%	12,960.87	8.33%	1,549.56	21.98%	2.46	8.33%	1,552.02
31st March 2017	4.57%	10,862.45	6.01%	1,539.36	0.51%	(1.14)	6.06%	1,538.22
Karnataka Trade Promotion Organisation								
31st March 2018	2.63%	6,753.16	5.47%	1,017.26	0.00%	-	5.46%	1,017.26
31st March 2017	2.42%	5,735.90	10.58%	2,711.34	0.00%	-	10.68%	2,711.34
Non -controlling Interest in all Subsidiaries								
31st March 2018	7.33%	18,799.32	13.25%	2,466.16	21.11%	2.37	13.26%	2,468.53
31st March 2017	6.95%	16,492.22	15.94%	4,084.00	0.49%	(1.09)	16.08%	4,082.91
Joint Venture								
National Centre for Trade Information								
31st March 2018	0.06%	152.58	-0.07%	(13.10)	-3.82%	(0.43)	-0.07%	(13.53)
31st March 2017	0.07%	166.11	0.01%	3.32	0.84%	(1.86)	0.01%	1.46
Total								
31st March 2018	**100.00%**	**256,362.22**	**100.00%**	**18,611.03**	**100.00%**	**11.21**	**100.00%**	**18,622.23**
31st March 2017	**100.00%**	**237,438.58**	**100.00%**	**25,619.17**	**100.00%**	**(222.30)**	**100.00%**	**25,396.87**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.20 TIDCO Matter in TNTPO

a) The issue of treating the amount spent by promoters viz. ITPO and TIDCO towards the Capital expenditure was considered as non-interest bearing long term borrowings and shown as Non-Current liabilities in the previous year Balance Sheet.

As per the 44th Board Meeting of TNTPO held on 03.12.2014 the above sub-ordinate loan of Rs.623.27 lakhs was to be repaid in 16 quarterly installments of Rs. 38.95 lakhs each to TIDCO towards repayment of land development and provision of infrastructure facilities w.e.f. 2014-15. Likewise, ITPO spent Rs. 1637.48 lakhs of which Rs. 1206.39 lakhs was obtained from Central ASIDE Grant by ITPO. It was decided in the above said Board Meeting that the payment of Rs. 431.09 lakhs (which was invested by ITPO for setting up of exhibition Hall no. 1 & 2 after adjusting the Central ASIDE Grant) in 16 quarterly equal installments of Rs. 26.94 lakhs each to ITPO w.e.f. 2014 -15.

In accordance with the above, during the year TNTPO paid Rs. 155.81 lakhs and Rs. 107.77 lakhs to TIDCO and ITPO respectively towards the repayment of interest free Sub-ordinate loan. There is no due to promoters in this regard as on 31st March 2018.

b) 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 take care of construction of 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. As per the subsequent G.O. Ms.No.28 dated 03.02.2003 of the Government of Tamilnadu, TNTPO has to pay a lease rent of Rs.100 Lakhs per year from 2001-02 to the Government of Tamilnadu through TIDCO for the land handed over to TNTPO on a long term lease of 30 years. Accordingly, the Company has paid lease rent to the Government of Tamilnadu through TIDCO up to the financial year 2017-18. The lease deed in this respect remains to be executed between TNTPO and TIDCO.

Further, TNTPO has taken over the possession of 9.13 acres of additional land on 24.03.2016, vide letter No.8427/MIE-1/2015-3 Industries (MIE-1), department dated 04.03.2016 in order to expedite implementation of expansion project of Chennai Trade Centre. The lease rent for the above said additional land of 9.13 acres is yet to be fixed by the Government.

33.21 KIADB matters in KTPO

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. 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. During the year 2014-15, the Land was capitalised at Rs,1000.00 lakhs and the External Infrastructure amounting to Rs. 585.00 lakhs has been capitalized in the books during 2016-17 as per the advice of Karnataka Industrial Areas Development Board.

33.22 Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

a) Subsidiaries

The group's subsidiaries as at 31.3.2018 are set out below. Unless otherwise stated, they have equity share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting right held by the group.

Name of Entity	Place of Business/ Country of Incorporation	Ownership Interest held by the Group		Ownership Interest held by the Non Controlling Interests		Principal Activities
		3/31/2018	3/31/2017	3/31/2018	3/31/2017	
Karnataka Trade Promotion Organisation	India	51%	51%	49%	49%	Trade Promotion
Tamilnadu Trade Promotion Organisation	India	51%	51%	49%	49%	Trade Promotion

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

b) Summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company eliminations.

Summarised Balance Sheet	**Karnataka Trade Promotion Organisation**		**Tamilnadu Trade Promotion Organisation**	
	31/3/2018	**31/3/2017**	**31/3/2018**	**31/3/2017**
Current Assets	12,125.77	10,066.06	22,597.15	18,335.33
Current Liabilities	1,531.02	283.52	999.85	1,084.76
Net Current Assets	10,594.75	9,782.54	21,597.30	17,250.58
Non Current Assets	2,646.74	2,699.32	3,961.38	4,228.28
Non Current Liabilities	-	-	29.70	18.75
Net Non Current Assets	2,646.74	2,699.32	3,931.68	4,209.54
Net Assets	13,241.49	12,481.86	25,528.98	21,460.11
Attributable to Non Controlling Interest	6,488.33	6,116.11	12,509.20	10,515.46

Summarised Statement of Profit and Loss	**Karnataka Trade Promotion Organisation**		**Tamilnadu Trade Promotion Organisation**	
	31/3/2018	**31/3/2017**	**31/3/2018**	**31/3/2017**
Revenue	1,127.72	799.94	4,755.94	4,749.50
Profit for the year	1,994.63	5,316.35	3,153.85	3,155.59
Other Comprehensive Income	-	-	4.83	-2.23
Total Comprehensive Income	1,994.63	5,316.35	3,158.68	3,153.35
Attributable to Non Controlling Interest	977.37	2,605.01	1,547.75	1,545.14

Summarised Cash Flow	**Karnataka Trade Promotion Organisation**		**Tamilnadu Trade Promotion Organisation**	
	31/3/2018	**31/3/2017**	**31/3/2018**	**31/3/2017**
Cash flow from Operating Activities	(106.54)	(5,531.78)	1,486.58	1,452.45
Cash flow from Investing Activities	105.02	5,534.44	(3,477.65)	554.12
Cash flow from Financing Activities	-	-	989.78	(217.84)
Net increase/(decrease) in cash and cash equivalents	(1.52)	2.66	(1,001.30)	1,788.72

c) Interests in Joint Venture

Name of Entity	**Place of Business**	**Ownership Interest held by the Group**		**Accounting Method**	**Carrying Amount**	
		31/3/2018	**31/3/2017**		**31/3/2018**	**31/3/2017**
National Centre For Trade Information	India	50%	50%	Equity Method	152.58	166.11

d) Individually Immaterial Joint Venture

Financial Information regarding group's interest in individually immaterial joint ventures that is accounted for using the equity method is as below:

Particulars	**31/3/2018**	**31/3/2017**
Aggregate carrying amount of individually immaterial joint venture	152.58	166.11

Particulars	**31/3/2018**	**31/3/2017**
Aggregate amount of Group's share of:		
Profit for the year	(13.10)	3.32
Other comprehensive Income	(0.43)	(1.86)
Total Comprehensive Income	(13.53)	1.46

As per the decision of the Board of NCTI vide 84th and 85th meeting of Board of Directors to wind up NCTI, a draft Cabinet Note for seeking the approval of the Cabinet by the Department of Commerce has been forwarded to JS, DoC. Follow up letters have also been sent to DoC by CMD, ITPO, Chairman, NCTI and ED, ITPO requesting to expedite the process of obtaining the approval of the Cabinet to wind up NCTI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd..)

33.23 Prior Period Adjustments **(Rs in Lakhs)**

Particulars	**Nature of error**		**Amount**
Opening Retained Earning as on 01.04.2016			**170,293.39**
Adjustments			**-**
Restated Opening Retained Earning as on 01.04.2016			**170,293.39**
Restated Excess of Income over expenditure for the period from continuing operations for year ended 2016-17			21,535.17
Other Comprehensive Income during 2016-17			(221.21)
Restated Opening Retained Earnings as on 31.3.2017			**191,607.34**

<u>Restated Excess of Income over expenditure for the year ended 31-03-2017</u> **(Rs in Lakhs)**

Particulars	**Nature of error**		**For Year ended 31st March 2017**
Impact on statement in Income & Expenditure (increase/(decrease) in profit)			
Excess of Income over expenditure for the period from continuing operations			**21,542.40**
EMPLOYEES' BENEFITS EXPENSE			
Salaries, Wages & Allowances	omission	(1.18)	
Other Perks & Allowances	omission	(0.15)	
Medical expenses	omission	(1.21)	(2.54)
OTHER EXPENSES			
Publicity	omission	(2.87)	
Security Expenses	omission	(1.52)	
Water Charges	omission	(0.16)	
Vehicle Maintenance	omission	(0.14)	(4.69)
Net Impact on Income & expenditure			**(7.23)**
Restated Excess of Income over expenditure for the period from continuing operations			**21,535.17**

<u>Impact of Prior period errors on Equity and EPS</u> **(Rs in Lakhs)**

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Impact on Equity (increase/(decrease) in equity)		
OTHER FINANCIAL LIABILITIES		
Other payables	(7.23)	-
Net Impact on Equity	**(7.23)**	**-**

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)

Particulars	**For Year ended 31st March 2017**
Earnings per share for continuing operation	
Basic, profit from continuing operations attributable to equity holders	(0.00)
Diluted, profit from continuing operations attributable to equity holders	(0.00)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

33.24	**PREVIOUS YEAR FIGURES** Previous year figures have been regrouped/ rearranged, wherever considered necessary, to correspond with the current year figures.

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
(S.R.Sahoo)	**(D.M.Sharma)**	**(Deepak Kumar)**	**(L.C.Goyal)**
Company Secretary	Chief Financial Officer	Executive Director	Chairman & Managing Director
M. No. F5595	M. No. 084838	DIN: 07886176	DIN: 02389348

As per our Report of even date attached
For S P Chopra & Co.
Chartered Accountants
Firm Regn. No. 000346N

Sd/-
Ankur Goyal
Partner
Membership No. 099143

Place: New Delhi
Dated: 29.08.2018

India Trade Promotion Organisation

Expo Astana Kazakhstan 2017

Contribution to "Swachh Bharat Kosh", Govt. of India under CSR

Contribution to "Clean Ganga Fund", Govt. of India under CSR

स्वच्छ भारत

एक कदम स्वच्छता की ओर

India Trade Promotion Organisation

Pragati Bhawan, Pragati Maidan, New Delhi-110001