Annual Accounts 2019-20

Auditor’s Report
Balance Sheet
Income & Expenditure Account
Accounting Policies & Notes to Accounts
Independent Auditor’s Report

To the Members of
Federation of Indian Export Organisations

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION :
We have audited the accompanying financial statements of Federation of Indian Export Organisations, which comprise the Balance Sheet as at March 31st, 2020, and the Statement of Income and Expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements of the Federation, read together with general note no. 16 to the financial statements, have been prepared in accordance with the applicable Laws, in the manner so required and give a true and fair view in conformity with the other accounting principles generally accepted in India.

Basis for Opinion :
We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements:
Management of the Federation is responsible for the preparation of these financial statements in accordance with applicable Laws and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error and that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards. In preparing the financial statements, management is responsible for assessing the entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operation, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements:
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor’s Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's uses of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist related to events or conditions that may cast significant doubt on the entity's ability to continue as going concern.
- We communicated with those charged with governance regarding, among other matter, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that way identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

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 relevant laws have been kept by the Federation so far as it appears from our examination of those books including the returns / reports received from the chapters / regions not visited by us.

c. the Balance Sheet and the Statement of Income and Expenditure, dealt with by this Report are in agreement with the books of account and return/reports received from the chapters / regions not visited by us.

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN: 000038N

sd/-
(K.K.Upadhyay)
Partner
M. No. : 096584

Place: New Delhi
Date: 28-08-2020
### Balance Sheet as at 31st March, 2020

#### Liabilities

<table>
<thead>
<tr>
<th>Note No.</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>Land &amp; Building Fund</td>
<td>18,15,22,007</td>
<td>18,15,22,007</td>
</tr>
<tr>
<td>Earmarked Fund</td>
<td>1,30,93,409</td>
<td>1,21,01,793</td>
</tr>
<tr>
<td>(Prime Minister's National Relief Fund)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Surplus</td>
<td>29,32,33,372</td>
<td>26,33,07,627</td>
</tr>
<tr>
<td>Current Liabilities &amp; Provisions</td>
<td>17,69,10,591</td>
<td>11,94,56,073</td>
</tr>
<tr>
<td>Deposits</td>
<td>50,81,573</td>
<td>53,97,049</td>
</tr>
<tr>
<td>Subscription Received in Advance</td>
<td>7,68,41,958</td>
<td>7,00,21,684</td>
</tr>
<tr>
<td>Unspent MDA Grant</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total** 74,66,82,910 65,18,06,233

#### Assets

<table>
<thead>
<tr>
<th>Note No.</th>
<th>As at 31.03.2020</th>
<th>As at 31.03.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs.</td>
<td>Rs.</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>13,67,72,884</td>
<td>12,72,30,936</td>
</tr>
<tr>
<td>Investments</td>
<td>30,65,08,137</td>
<td>32,47,84,445</td>
</tr>
<tr>
<td>Earmarked Investments</td>
<td>1,27,44,973</td>
<td>1,20,01,073</td>
</tr>
<tr>
<td>Current Assets, Loans &amp; Advances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Cash and Bank Balances</td>
<td>13,35,84,342</td>
<td>4,37,09,064</td>
</tr>
<tr>
<td>- Loans &amp; Advances</td>
<td>15,77,83,148</td>
<td>14,31,91,289</td>
</tr>
<tr>
<td>International - ITC Centres</td>
<td>(7,10,574)</td>
<td>8,89,426</td>
</tr>
</tbody>
</table>

**Total** 74,66,82,910 65,18,06,233

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Summary of Significant Accounting Policies & Other Explanatory Informations

Note No. 1 to 16 form an integral part of Accounts

As per our report of even date attached for Thakur, Vaidyanath Aiyar & Co. Chartered Accountants

FRN000038N

sd/- (K K Upadhyay)
Partner
M.No.096584

sd/- (Dr. Ajay Sahai)
Director General & CEO

sd/- (Sushil Kumar)
Joint Director (Finance)

sd/- (Sharad Kumar Saraf)
President

sd/- (Mahesh Chandra Keyal)
Vice-President

Place : New Delhi
Date : 28-08-2020
# FEDERATION OF INDIAN EXPORT ORGANISATIONS

## INCOME & EXPENDITURE A/C FOR THE YEAR ENDED 31ST MARCH 2020

<table>
<thead>
<tr>
<th>Note No.</th>
<th>For the year</th>
<th>For the year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019-20 Rs.</td>
<td>2018-19 Rs.</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription</td>
<td>18,41,60,682</td>
<td>16,26,14,167</td>
</tr>
<tr>
<td>Interest Income</td>
<td>2,72,03,365</td>
<td>2,48,59,644</td>
</tr>
<tr>
<td>Income from Events &amp; Programmes</td>
<td>1,21,83,514</td>
<td>1,26,37,660</td>
</tr>
<tr>
<td>- Govt. Grants</td>
<td>14,05,50,713</td>
<td>14,84,93,233</td>
</tr>
<tr>
<td>- Others</td>
<td>26,34,83,775</td>
<td>23,65,86,644</td>
</tr>
<tr>
<td>Rent/License Fee</td>
<td>2,76,75,351</td>
<td>2,72,85,410</td>
</tr>
<tr>
<td>Other Income</td>
<td>1,21,83,514</td>
<td>1,26,37,660</td>
</tr>
<tr>
<td>MDA Grant from Ministry of Commerce</td>
<td>1,65,523</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>65,52,57,400</td>
<td>61,26,42,281</td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff &amp; Other Administrative Expenses</td>
<td>27,41,76,514</td>
<td>25,59,70,178</td>
</tr>
<tr>
<td>Events &amp; Programmes Expenses</td>
<td>33,68,22,271</td>
<td>33,09,21,739</td>
</tr>
<tr>
<td>Disbursement out of MDA Grant</td>
<td>-</td>
<td>1,65,523</td>
</tr>
<tr>
<td>Depreciation for the year</td>
<td>1,43,32,870</td>
<td>1,31,57,188</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>62,53,31,655</td>
<td>60,02,14,628</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>2,99,25,745</td>
<td>1,24,27,652</td>
</tr>
<tr>
<td><strong>Surplus for the Year</strong></td>
<td>2,99,25,745</td>
<td>1,24,27,653</td>
</tr>
</tbody>
</table>

Summary of Significant Accounting Policies & Other Explanatory Informations
Note No. 1 to 16 form an integral part of Accounts
As per our report of even date attached for Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants
FRN000038N

sd/- (K K Upadhyay)  
Partner
M.No.096584

sd/- (Dr. Ajay Sahai)  
Director General & CEO

sd/- (Sushil Kumar)  
Joint Director (Finance)

sd/- (Sharad Kumar Saraf)  
President

sd/- (Mahesh Chandra Keyal)  
Vice-President

Place : New Delhi  
Date : 28-08-2020
### Note No. - 1
**Earmarked Fund**
(Prime Minister’s National Relief Fund)

<table>
<thead>
<tr>
<th></th>
<th>As at 2019-20</th>
<th>As at 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as per last account</td>
<td>1,20,50,269</td>
<td>1,09,41,407</td>
</tr>
<tr>
<td>Add: Contribution from Members/adjustment of Interest on Investments</td>
<td>7,69,239</td>
<td>7,45,196</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,30,93,409</strong></td>
<td><strong>1,21,01,793</strong></td>
</tr>
</tbody>
</table>

### Note No. - 2
**Accumulated Surplus**

<table>
<thead>
<tr>
<th></th>
<th>As at 2019-20</th>
<th>As at 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Region</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Western Region</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Southern Region</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: Surplus for the year</td>
<td>2,99,25,745</td>
<td>1,24,27,653</td>
</tr>
<tr>
<td>(as per Income &amp; Expenditure A/c)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>29,32,33,372</strong></td>
<td><strong>26,33,07,627</strong></td>
</tr>
</tbody>
</table>

### Note No. - 3
**Current Liabilities & Provisions**

#### Head Office
- Advance Licence Fee / Rent: 48,46,982 (2019-20) vs. 44,16,477 (2018-19)
- Advance against Events / Programmes: 9,13,60,913 (2019-20) vs. 5,74,35,345 (2018-19)
- Expenses Payables: 1,92,94,329 (2019-20) vs. 50,41,602 (2018-19)
- Provision for Gratuity: 2,37,92,602 (2019-20) vs. 4,18,31,691 (2018-19)
- Provision for Leave encashment: 96,94,970 (2019-20) vs. - (2018-19)
- Duties & Taxes: 24,53,279 (2019-20) vs. 10,00,463 (2018-19)

#### Regional Offices
- Western Region: 26,78,644 (2019-20) vs. 31,57,920 (2018-19)
- Southern Region: 31,84,692 (2019-20) vs. 24,14,823 (2018-19)
- Eastern Region: 78,78,934 (2019-20) vs. 11,04,346 (2018-19)

<table>
<thead>
<tr>
<th></th>
<th>As at 2019-20</th>
<th>As at 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,69,10,591</strong></td>
<td><strong>11,94,56,073</strong></td>
</tr>
</tbody>
</table>

### Note No. - 4
**Deposits**

<table>
<thead>
<tr>
<th></th>
<th>As at 2019-20</th>
<th>As at 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>(I) from Tenants</td>
<td>37,21,236</td>
<td>36,98,736</td>
</tr>
<tr>
<td>(II) from Others</td>
<td>9,60,337</td>
<td>9,98,313</td>
</tr>
<tr>
<td>(III) from Maintenance Contractor</td>
<td>7,00,000</td>
<td>7,00,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50,81,573</strong></td>
<td><strong>53,97,049</strong></td>
</tr>
</tbody>
</table>

### Note No. - 5
**Subscription Received in advance**

<table>
<thead>
<tr>
<th></th>
<th>As at 2019-20</th>
<th>As at 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance As per last account</td>
<td>6,91,73,026</td>
<td>6,82,12,264</td>
</tr>
<tr>
<td>Add: Received during the year</td>
<td>18,87,31,317</td>
<td>16,35,74,929</td>
</tr>
<tr>
<td>Unidentified Fee *</td>
<td>30,98,297</td>
<td>8,48,658</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26,10,02,640</strong></td>
<td><strong>23,26,35,851</strong></td>
</tr>
</tbody>
</table>

*The unidentified fees has been identified to the extent of Rs. 17.92 lacs as on Balance Sheet date and classified under proper head, balance is under process of reconciliation and identification.

### Note No. - 6
**Unspent MDA Grant**

<table>
<thead>
<tr>
<th></th>
<th>As at 2019-20</th>
<th>As at 2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as per last account</td>
<td>-</td>
<td>1,65,523</td>
</tr>
<tr>
<td>Add: Received during the year</td>
<td>-</td>
<td>1,65,523</td>
</tr>
<tr>
<td>Less : Expenditure/Disbursed during the year</td>
<td>-</td>
<td>1,65,523</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Particulars</td>
<td>Rate %</td>
<td>Cost as on 01.04.2019</td>
</tr>
<tr>
<td>------------------</td>
<td>--------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Building</td>
<td>10</td>
<td>8,25,18,004</td>
</tr>
<tr>
<td>Flats &amp; Offices</td>
<td>10</td>
<td>11,15,39,454</td>
</tr>
<tr>
<td>Lifts</td>
<td>10</td>
<td>38,01,074</td>
</tr>
<tr>
<td>Cooling Plant</td>
<td>15</td>
<td>1,57,58,101</td>
</tr>
<tr>
<td>Auditorium Equipments</td>
<td>10</td>
<td>48,97,140</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>10</td>
<td>1,93,48,893</td>
</tr>
<tr>
<td>Vehicles</td>
<td>15</td>
<td>1,06,21,916</td>
</tr>
<tr>
<td>Electrical Equipments</td>
<td>10</td>
<td>2,38,75,819</td>
</tr>
<tr>
<td>Office Equipments</td>
<td>10</td>
<td>1,23,81,373</td>
</tr>
<tr>
<td>Computer &amp; Accessories</td>
<td>60</td>
<td>1,70,25,782</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>31,83,38,928</td>
</tr>
<tr>
<td>Previous year’s</td>
<td></td>
<td>31,22,86,928</td>
</tr>
</tbody>
</table>
### Note No. - 8
#### Investments
- **FDRs with**
  - Canara Bank: 6,09,89,016
  - IDFC Bank: 12,00,00,000
  - HDFC Bank: -
  - YES Bank: 3,80,59,095
  - Tamilnad Mercantile Bank Ltd: 7,00,00,000
  - Axis Bank Ltd.: 1,00,00,000
  **Sub. Total:** 29,90,48,111

Add: Interest Accrued 74,60,026

**Total:** 30,65,08,137

### Note No. - 9
#### Earmarked Investment with Canara Bank
- Fixed Deposit: 1,15,61,143
- In Current Account: 5,37,302
- Interest Accrued: 6,46,528
  **Total:** 1,27,44,973

### Note No. - 10
#### Cash & Bank Balances
(as certified by the Management)
- Cash in Hand (including Imprest): 79,122
- Balance in Franking Machine: 39,482
  **Sub Total:** 1,18,604

#### Head Office
- In current account:
  - MDA grant A/c: 5,082
  - Other A/c: 3,44,17,124
  - In Saving Account:
    - Regional Offices: 7,50,93,000
    - In Membership A/c: 87,98,294
    - In Other A/c: 1,51,52,238
  **Sub Total:** 13,34,65,738

**Grand Total:** 13,35,84,342

### Note No. - 11
#### Loans & Advances
- Festival, Vehicle & Other Staff Advances: 1,46,79,810
- Stock APTA Books: 85,880
- Advances against delegation: 1,88,98,073
- Electricity Charges Receivable: 2,86,499
- Grant Receivable from the MOC: 8,92,11,796
- Prepaid Expenses: 24,59,430
- Recoverable from Others: 1,29,20,616
- Service tax Deposit/GST deposited: -
- Security Deposits: 23,98,717
- TDS Recoverable: 1,57,21,977
- Other Advances & Deposits: 11,20,350
  **Total:** 15,77,83,148

**Grand Total:** 13,35,84,342
### Income from Events & Programmes

- Code activities at:
  - HO & Northern Region: Rs. 21,68,45,103 (2019-20), Rs. 29,16,48,411 (2018-19)
  - Western Region: Rs. 1,70,44,940 (2019-20), Rs. 4,54,45,428 (2018-19)
  - Southern Region: Rs. 1,10,94,945 (2019-20), Rs. 3,26,65,752 (2018-19)
  - Eastern Region: Rs. 1,84,98,787 (2019-20), Rs. 1,53,20,286 (2018-19)

**Total**

- For the Year 2019-20: Rs. 26,34,83,775
- For the Year 2018-19: Rs. 38,50,79,877

### Other Income

- Advertisement
  - Website Hosting: Rs. 9,89,951 (2019-20), Rs. 4,33,069 (2018-19)
  - Miscellaneous Income: Rs. 94,22,505 (2019-20), Rs. 1,03,22,883 (2018-19)

**Total**

- For the Year 2019-20: Rs. 1,21,83,514
- For the Year 2018-19: Rs. 1,26,37,660
**FEDERATION OF INDIAN EXPORT ORGANISATIONS**

**Note No.-14**

**Administrative & Other Expenses :**

<table>
<thead>
<tr>
<th>Description</th>
<th>For the Year 2019-20 Rs.</th>
<th>For the Year 2018-19 Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Staff Cost :</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Allowances</td>
<td>15,99,86,014</td>
<td>14,08,00,949</td>
</tr>
<tr>
<td>Provident Fund &amp; Other Contributions</td>
<td>1,21,96,868</td>
<td>91,85,398</td>
</tr>
<tr>
<td>Payments to Contractual Staff</td>
<td>73,39,369</td>
<td>1,00,88,990</td>
</tr>
<tr>
<td>Staff Amenities</td>
<td>30,72,171</td>
<td>20,87,148</td>
</tr>
<tr>
<td>Payments of Gratuity to Staff</td>
<td>8,11,726</td>
<td>-</td>
</tr>
<tr>
<td>Gratuity</td>
<td>2,37,92,602</td>
<td>2,09,48,821</td>
</tr>
<tr>
<td>Leave Encashment</td>
<td>1,01,76,727</td>
<td>61,69,330</td>
</tr>
<tr>
<td>Fee to Advisors</td>
<td>10,98,075</td>
<td>13,48,800</td>
</tr>
<tr>
<td><strong>B. Others Expenses :</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Maintenance Contract for :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Maintenance of Office Premises</td>
<td>1,29,60,447</td>
<td>1,17,53,637</td>
</tr>
<tr>
<td>Computer &amp; other equipments</td>
<td>28,32,752</td>
<td>25,38,528</td>
</tr>
<tr>
<td>M C Meeting Expenses</td>
<td>25,12,001</td>
<td>28,48,278</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>2,82,692</td>
<td>4,96,945</td>
</tr>
<tr>
<td>Monthly News Bulletin</td>
<td>50,51,890</td>
<td>51,97,601</td>
</tr>
<tr>
<td>Postage &amp; Telephone</td>
<td>33,87,005</td>
<td>41,37,341</td>
</tr>
<tr>
<td>Printing &amp; Stationery</td>
<td>24,84,551</td>
<td>26,74,828</td>
</tr>
<tr>
<td>Maintenance of Vehicle</td>
<td>10,03,176</td>
<td>11,29,615</td>
</tr>
<tr>
<td>Travelling &amp; Conveyance</td>
<td>25,32,865</td>
<td>34,99,078</td>
</tr>
<tr>
<td>Press Conference expenses</td>
<td>19,17,517</td>
<td>31,03,040</td>
</tr>
<tr>
<td>Electricity and Water charges, Net</td>
<td>66,96,335</td>
<td>66,71,968</td>
</tr>
<tr>
<td>Property Tax</td>
<td>15,45,609</td>
<td>13,73,603</td>
</tr>
<tr>
<td>Ground Rent, Rates &amp; Taxes</td>
<td>3,64,220</td>
<td>5,78,373</td>
</tr>
<tr>
<td>Office Rent - Regions’</td>
<td>27,25,212</td>
<td>31,65,529</td>
</tr>
<tr>
<td>Legal &amp; Professional Charges</td>
<td>32,85,973</td>
<td>3,48,630</td>
</tr>
<tr>
<td>Computer Expenses</td>
<td>2,26,056</td>
<td>2,87,528</td>
</tr>
<tr>
<td>Audit Fees :</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Statutory Auditor</td>
<td>1,25,000</td>
<td>1,25,000</td>
</tr>
<tr>
<td>- Internal Auditor</td>
<td>1,80,000</td>
<td>1,93,550</td>
</tr>
<tr>
<td>Prior Period expenses</td>
<td>12,56,847</td>
<td>91,60,577</td>
</tr>
<tr>
<td>Diwali Expenses</td>
<td>13,99,449</td>
<td>16,99,231</td>
</tr>
<tr>
<td>Misc. Expenses</td>
<td>29,33,365</td>
<td>43,57,862</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,41,76,514</strong></td>
<td><strong>25,59,70,178</strong></td>
</tr>
</tbody>
</table>

**Note No.-15**

**Events & Programmes Expenses**

- **Code activities at :**

<table>
<thead>
<tr>
<th>Region</th>
<th>For the Year 2019-20 Rs.</th>
<th>For the Year 2018-19 Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>HO &amp; Northern Region</td>
<td>29,03,36,602</td>
<td>25,40,32,238</td>
</tr>
<tr>
<td>Western Region</td>
<td>1,39,79,554</td>
<td>4,00,05,738</td>
</tr>
<tr>
<td>Southern Region</td>
<td>97,13,669</td>
<td>2,53,39,481</td>
</tr>
<tr>
<td>Eastern Region</td>
<td>2,27,92,446</td>
<td>1,15,44,282</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>33,68,22,271</strong></td>
<td><strong>33,09,21,739</strong></td>
</tr>
</tbody>
</table>
NOTE NO. - 16
Summary of Significant Accounting Policies and other Explanatory Information:

A. BACKGROUND & SIGNIFICANT ACCOUNTING POLICIES:

BACKGROUND:

• Federation of Indian Export Organisations (FIEO) is a Society registered, under the Societies Registration Act XXI of 1860 (Punjab Amendment) Act, 1957, in the year 1965. FIEO is apex body of export promotion organizations in India and serving as a platform for promoting Indian trade with world and interaction between exporters and policy makers.

• Approval u/s 10(23C) (iv) of the Income Tax Act 1961 has been granted to FIEO from the Asst. 2007-08 and onwards, by the Director General of Income Tax (Exemption) Delhi, vide order no.2160 dated 27.03.2008.

• FIEO has Four Regional Offices and Thirteen Chapters. Accounts of the Chapters have been incorporated with the accounts of the respective Regional Offices. The consolidation of the accounts of Regional Offices with Head office accounts has been done line-by-line item basis on the basis of the financial statements of the Regions.

SIGNIFICANT ACCOUNTING POLICIES:

1. ACCOUNTING CONVENTION:

   i. The Financial Statements have been prepared on accrual basis (except as stated otherwise) and under the historical cost convention, and in accordance with the generally accepted accounting principles in India.

   ii. The preparation of Financial Statements requires estimates to be made that affect the reported amount of Assets and Liabilities on the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known/ materialized.

   In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic of COVID -19, the management, as at the date of approval of these financial statements has used internal and external sources of information and related information for estimation. The impact of COVID-19 on the FIEO’s financial statements may differ in future from that estimate as at the date of approval of these financial statements.

2. REVENUE RECOGNITION:

• Income and Expenditure are accounted for on Accrual basis except Income from Membership Subscription, which are accounted for on the receipt of Membership Fee from Members. However, Membership Subscriptions received in advance is carried over to the year for which it pertains.

• Receipts of Fee / Grants for Events / Programs and related expenditure are recognized in the year of completion of Events / Programs.

• Income from Government Grants is recognized to the extent of expenditure certified as eligible for respective Events / Program.

• Interest Income from Loans to Employees (except for Festival Advance which is Interest Free) is recognized in the year of disbursement of Loans. However, in the case of pre-closure of Loan necessary adjustment are being made in the year of closure of loans.

3. Liabilities against Gratuity and Leave Encasement have been covered through the policy taken by FIEO from the LIC of India.
4. Fixed Assets are stated at cost of Acquisition/Construction.

5. Depreciation on Fixed Assets is provided on written down value (WDV) and at the rates specified in the Income Tax Act, 1961.

6. Physical Verification of Assets is done once in every three years.

7. Employees related all benefits including Pay Structure are governed by the FIEO’s own Rules & Regulation and as decided, time to time, by the Managing Committee of FIEO.

8. Investments are stated at Cost.

B. OTHER EXPLANATORY INFORMATION:

1. CONTINGENT LIABILITY:

   i. In absence of any demand for Property Tax of Kolkata office; provision for the same has not been made from 2003-04 onwards.

   ii. Mutation of the Title Deed for the ownership of the office premises acquired in the year 1992-93 at Kolkata is still pending. Further, liability against the same, if any, is not ascertainable.

2. Receivable from others include an amounting to Rs.0.10 crore receivable from M/s. Reliance Infratel Limited as the company has not paid rentals of Mobile Tower (installed on the roof top of Niryat Bhawan) for some of the periods. In the opinion of Management such amount is good for recovery.

3. FIEO has setup two overseas “International Trade Centers” viz at Bucharest - Romania and at Sharjah – UAE in the year 2007 and 2008 respectively, with the help of Ministry of Commerce, Govt. of India and Members of FIEO. Both the Centres i.e. ITS Bucharest, Romania and Sharjah Centre have been closed during the year 2009-10 and 2015-16 respectively and financial impact due to closure of these Centre would yet to be given.

   However, court case has been filed by some of the Members against the decision of FIEO for the closure of the ITS Bucharest, Romania Centre and the said case is still pending before a lower Court of Delhi. Further, out of total advance of ITC-Sharjah, an amount of Rs. 0.16 crore has been written off by the Southern Region during the year.

4. Earmarked Investments (includes Bank balance and interest accrued thereon) represents investments of Earmarked Fund i.e. Fund generated for “Prime Minister Relief Fund” from the Members of FIEO.

5. Demands from LIC of India against the Group Gratuity Fund and Leave Encashment of Rs. 3.40 crore as on 31.03.2020 have been provided for.

6. Property Tax against the Office Building, Niryat Bhawan and two Flats at Asian game village amounting to Rs. 11.08 lacs have been provided on self-assessment basis.

7. Transactions in foreign currency are accounted for at the rates prevailing on the date of transactions. Foreign Currency out go is accounted for in the activities/events for which it pertains.

8. FIEO has started a Certificate Course viz. “Diploma in Foreign Trade” in association with Birla Institute of Management Technology (BIMTECH) from April 2011 on the basis of equal sharing in the surplus.

9. As per policy, FIEO has provided an estimated liability of Rs.1.40 crore for the financial year 2019-20 on account of Ex-gratia payable to its employees/officials.

10. Due to pandemic of COVID -19, physical verification of assets has not been completed during the year, However, as per policy, physical verification is carried out once in every three years.

11. Previous year’s figures have been regrouped / rearranged wherever considered necessary.

Place : New Delhi
Date : 28-08-2020

55th Annual Report & Accounts 2019-20
FEDERATION OF INDIAN EXPORT ORGANISATIONS
(Set up by Ministry of Commerce, Government of India)

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Website: www.fieo.org; Toll Free Number : 100-121-9000

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M: +91-9501543377
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E: +91-9831726300,
E: fieohyd@fieo.org

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