



AEPC
APPAREL EXPORT PROMOTION COUNCIL
AEPC

annual report
2016-2017



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Ashok G. Rajani, Chairman
H.K.L Magu, Vice-Chairman
Vijay Kumar Agarwal
Amit Goyal
R. B. Goenka
Premal H Udani
Pravin Kumar Agarwal
Rishi K Rajani
J.B. Jain
Narendra Goenka
Harish Ahuja
Lalit Thukral
Hari Kapoor
Virender Uppal
Lalit Gulati
Rakesh Vaid
Sudhir Sekhri
Gautam Nair
Anil Buchasia
A. Sakthivel
Ranjit P Shah
R. Ramu
K. M. Subramaniam
B Shanmugasundaram
Rajeev S. Goenka
A. S. Subramanian
N. Chandran
V. Elangovan
Rahul Mehta, Co-opted Member
Anil Peshawari, Co-opted Member
Jagadish N. Hinduja, Co-opted Member
Subrata Gupta, Jt. Secretary,
Ministry of Textiles - (Govt. Nominee)
Kavita Gupta, Textile Commissioner,
(Govt. Nominee)
Sarada G Muraleedharan, DG- NIFT
(Govt. Nominee)

NOTES:

1. Council members are requested to bring their copies of the Annual Report with them, as spare copies will not be available at the meeting.
2. Members having any queries on accounts are requested to send them in advance to the council to enable to collect the relevant information.

Secretary General

Ram Singh

Dy, Secretary General & Secretary

Sanjiv Malhotra

Legal Advisors

Kuljeet Rawal

Rajesh Rawal

Auditor

S. P. Puri & Co.

Bankers

Indian Overseas Bank

HDFC Bank

State Bank of India

State Bank of Bikaner & Jaipur

Corporation Bank

Yes Bank

Allahabad Bank

Canara Bank

Dena Bank

Bank of Baroda

Union Bank of India

ICICI Bank

Central Bank of India

Punjab National Bank

Registered Office

A-223, Okhla Industrial Area,

Phase-I, New Delhi-110020

Cin : U74899DL1978NPL008877

Email: smalhotra@aepcindia.com

Website: www.aepcindia.com

Telefax: 011- 40501798

Head Office

Apparel House, Institutional

Area, Sector-44, Gurugram-122003,

Haryana

Other Offices at

New Delhi, Noida

Jaipur, Ludhiana

Chennai, Tirupur

Bengaluru, Kolkata

Mumbai

EXECUTIVE COMMITTEE and OFFICES



Shri Arun Jaitley, Hon'ble Union Minister of Finance, Government of India with Chairman AEPC and Executive Committee Members, AEPC

Shri Ajay Tamta, Hon'ble Minister of State for Textiles, Ministry of Textiles, Government of India at the Award Presentation Ceremony of 58th India International Garment Fair with Vice Chairman and Secretary General AEPC



Smt. Smriti Zubin Irani, Hon'ble Union Minister of Textiles and I&B (Additional Charge), GOI, being welcomed by Chairman AEPC at 58th India International Garment Fair



Shri Anant Kumar, IAS, Secretary, Ministry of Textiles, Government of India with Chairman AEPC



Smt. Smriti Zubin Irani, Hon'ble Union Minister of Textiles and I&B (Additional Charge), GOI, at the Inauguration ceremony of 58th India International Garment Fair



Shri Amit Mitra, Hon'ble Minister for Finance & Excise, Commerce & Industries, Government of West Bengal with by Chairman AEPC

Smt. Smriti Zubin Irani, Hon'ble Union Minister of Textiles and I&B (Additional Charge), GOI, at the AEPC Export Awards 2015-16 ceremony



NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Council will be held on 28th September, 2017, Thursday at 12:00 Noon at Niryat Bhawan (FIEO Office Building), Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi-110057, to transact the following business:

1. To consider and adopt the Audited Balance Sheet and Income & Expenditure Account of the Council for the year ended 31st March, 2017, along with the report of the Auditors and the Executive Committee of the Council.
2. To consider to ratify the appointment of M/s S P Puri & Co, Chartered Accountants (Firm Registration No. 001152N) as Statutory Auditors of the Council to hold the office from the conclusion of this Annual General Meeting till the conclusion of 39th Annual General Meeting of the Council to be held in the year 2018 and to fix their remuneration.
3. To elect & so appoint a Member to the Executive Committee, in place of Shri. Pravin Kumar Agarwal from Western Region, who retires by rotation and is eligible for re-election.
4. To elect & so appoint a Member to the Executive Committee, in place of Shri. Narendra Kumar Goenka from Western Region, who retires by rotation and is eligible for re- election.
5. To elect & so appoint a Member to the Executive Committee, in place of Shri. Amit N. Goyal from Western Region, who retires by rotation and is eligible for re-election.
6. To elect & so appoint a Member to the Executive Committee, in place of Shri Hari Kapoor from Northern Region, who retires by rotation and is eligible for re-election.
7. To elect & so appoint a Member to the Executive Committee, in place of Shri Sudhir Sekhri from Northern Region, who retires by rotation and is eligible for re-election.
8. To elect & so appoint a Member to the Executive Committee, in place of Shri Lalit Thukral from Northern Region, who retires by rotation and is eligible for re-election.
9. To elect & so appoint a Member to the Executive Committee, in place of Shri. A. Sakthivel from Southern Region, who retires by rotation and is eligible for re-election.
10. To elect & so appoint a Member to the Executive Committee, in place of Shri A.S. Subramanian from Southern Region, who retires by rotation and is eligible for re-election.
11. To elect & so appoint a Member to the Executive Committee, in place of Shri Ranjit P Shah from Southern Region, who retires by rotation and is eligible for re-election.
12. To elect & so appoint a Member to the Executive Committee, in place of Shri Anil Buchasia from Eastern Region, who is retiring otherwise.

By order of the Executive Committee

Place : Goa
Date : 29/07/2017

SANJIV MALHOTRA
Deputy Secretary General & Secretary

Registered Office :
A-223, Okhla Industrial Area, Phase-1
New Delhi-110020



Inspection

All material and documents of the above mentioned resolutions, except for resolution no.1, are available for inspection at the Registered Office of the Council between 11.00 a.m. to 1.00 p.m. on all working days and will also be available at the meeting. All material and documents of the resolution no. 1 is available for inspection at the Head Office of the Council between 11.00 a.m. to 1.00 p.m. on all working days and will also be available at the meeting.

NOTES

[a] "A MEMBER ENTITLED TO VOTE IN THE GENERAL MEETINGS OF AEPC WOULD BE CASTING VOTE ELECTRONICALLY BY WAY OF E-VOTING/REMOTE E-VOTING THROUGH AN ELECTRONIC VOTING SYSTEM.

IN THE PROCESS OF E-VOTING/REMOTE-E VOTING A MEMBER IS NOT REQUIRED TO APPOINT ANY PROXY TO ATTEND THE MEETING AND VOTE BECAUSE VOTING CAN BE DONE BY REMOTE E-VOTING FROM ANY PLACE OTHER THAN THE VENUE OF A GENERAL MEETING BY USING THE UNIQUE "USER NAME" AND "PASSWORD" THAT IS PROVIDED SEPARATELY TO EACH OF THE VOTING MEMBERS BY THE AGENCY CONDUCTING THE VOTING ELECTRONICALLY. "

[b] The Register of Members of the Council will be closed from 22/09/2017 to 28/09/2017 (both days inclusive)

By order of the Executive Committee

Place : GOA
Date : 29/07/2017

SANJIV MALHOTRA
Deputy Secretary General & Secretary

Registered Office :

A-223, Okhla Industrial Area, Phase-1
New Delhi-110020

Information and other instructions relating to e-voting for all resolutions are as under :

[a] The Notice of the AGM along with the Executive Committee's Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Council, Physical copies of Notice of the AGM along with the Executive Committee's Report 2016-17 is also being sent to members.

[b] In compliance with the provisions of Section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions to be carried/conducted at the Annual General Meeting including election of the Executive Committee Members, set forth in this Notice.

The instructions for remote e-voting are as under:

- A. On receipt of an e-mail from NSDL(National Securities Depository Limited) an Agency appointed by Council, as per Rule 20 of the Companies (Management & Administration) Amendment Rules 2015, by member relating to e-voting on all resolutions, please take the following action:-
 - i. Open e-mail and also open PDF viz. "Apparel Export Promotion Council.pdf" with your Membership ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting.
 - ii. Open the internet browser by typing the following URL: <https://www.evoting.nsdl.com>

- iii. Click on “Shareholder – Login”.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail.
 - vi. Once the remote e-voting home page opens, click on remote e-voting > Active Voting Cycles.
 - vii. Select “EVEN” (E-Voting Event Number) of Apparel Export Promotion Council. Now you are ready for remote e-voting as Cast Vote page opens.
 - viii. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - ix. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - x. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual – Shareholders, available at the downloads section of www.evoting.nsdl.com or call NSDL toll free no.- 1800-222-990.
- B. i. The remote e-voting period commences on 25/09/2017 (Monday) and ends on 27/09/2017 (Wednesday) at 05:00 PM. During this period, Members of the Council, whose name is entered in the Register of Members as on, 21.09.2017 (Thursday) i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The facility for voting, through electronic voting system shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote-voting shall be able to exercise their right at the meeting.
 - iii. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - iv. The voting rights of members shall be one person one vote as on cut-off date i.e 21.09.2017. A person, whose name is recorded in the register of members on the cut-off date, only shall be entitled to avail the facility of remote e-Voting, voting through electronic ballot form, or any other means.
 - v. Mr. G.K. Rajnish, Under Secretary, Ministry of Textiles, Govt. of India, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - vi. Any person, who becomes member of the Council after dispatch of the Notice as on the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com or call NSDL toll free no.- 1800-222-990.

- vii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, count the votes cast at



the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Council and shall make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

viii. The results declared along with the Scrutinizer's Report shall be placed on the Council's website www.aepcindia.com and on the website of NSDL www.evoting.nsdl.com after the declaration of result by the chairman or person authorized by him in writing.

By order of the Executive Committee

Place : Goa
Date : 29/07/2017

SANJIV MALHOTRA
Deputy Secretary General & Secretary

Registered Office :

A-223, Okhla Industrial Area, Phase-1, New Delhi-110020
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EXECUTIVE COMMITTEE'S REPORT FOR THE FINANCIAL YEAR 2016-17

The Executive Committee of the Council has great pleasure in presenting the 38th Annual report along with the Income & expenditure Account, Balance Sheet and the Auditor's Report for the Year ended 31st March, 2017.

REVIEW OF EXPORTS – PERFORMANCE IN 2016-17

India's RMG export to World for financial year 2016-17 was to the tune of USD 17479 mn. This 2.9 per cent

growth was largely triggered by some of the Special Package benefits that the industry got during the year. In rupee terms, export for the period of 2016-17 was Rs. 1,17,202.4 Cr. as against Rs. 1,11,182.8 Cr. of the same period of previous financial year, a growth of 5.4 per cent.

As indicated in Table 1 below, share of apparel in total textile exports have grown steadily in this decade, from 41% in 2010-11 to 48% in 2016-17.

Table 1 - India's RMG & Textile Export to World (Growth and Share in %)								
FY	USD Mn.			RMG Share in India's Total Textile & Clothing Export to World in % *	Share in % In India's All Commodity Export		Y-O-Y Growth in %	
	RMG Export (A)	Textile Export (Excluding RMG) B	Total Textile (A + B)		RMG Export	Textile Export	RMG Export	Textile & RMG Exports
2010-2011	11217	16354	27571	41	4.5	6.5	4.7	33.7
2011-2012	13737	20660	34398	40	4.5	6.8	22.5	24.8
2012-2013	12962	20233	33195	39	4.3	6	-5.9	-3.5
2013-2014	15001	22474	37475	40	4.8	6.4	15.7	12.9
2014-2015	16847	20807	37654	45	5.4	12.1	12.3	0.5
2015-2016	16990	19737	36727	46	6.5	14	0.8	-2.5
2016-2017	17479	19160	36639	48	6.3	13.3	2.9	-0.3

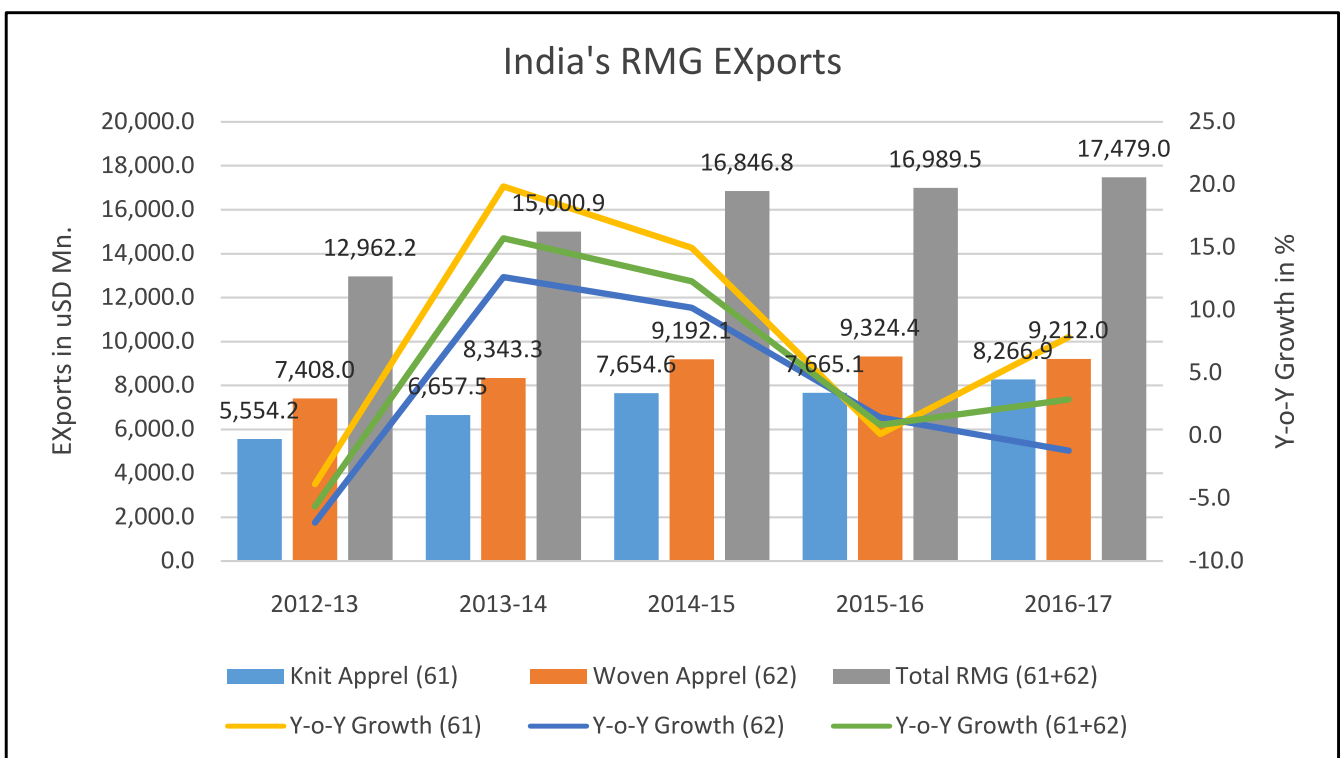
Source: DGCIS, 2017 ***Rounded up figure**



Share of Knitted & Woven Garments

As illustrated in the growth below, exports of knitted apparel posted a rebound in 2016-17, while woven apparel exports stagnated.

- (i) Knitted Exports USD Mn. 8267 mn. (2016-17), Share 47.3 %, Growth 7.9%
- (ii) Woven Exports USD Mn. 9212.0 mn. (2016-17), Share 52.7%, Decline 1.2%



World Apparel Trade

Global Apparel Exports was US\$ 442.1 billion in 2016 (Source: UN Comtrade, 2017), out of which India's exports were worth US\$ 17 billion, while China's exports were worth US\$ 147.8 billion and Bangladesh's exports were worth US\$ 33.5 bn. Also, Bangladesh and Vietnam have posted a CAGR

of around 15% for the last five years, while India's is less than half of that. It is noteworthy that Cambodia recorded a whopping CAGR growth (2012-16) of 26.6% and is fast catching up.

India retains its position as the 6th largest apparel exporter in globe with 3.8% share after China (33.4%), Bangladesh (7.6%) and Vietnam (5.6%).

The position of India vis-à-vis major competing countries in the global RMG exports is given in the Table-2.

Table 2 - Global RMG Exporter - Top 10												
	Exporters	Export in USD Bn.					% CAGR 2012-2016	Share in %				
		2012	2013	2014	2015	2016		2012	2013	2014	2015	2016
	World	405.1	440.2	474.7	442.4	442.1	2.2	100.0	100.0	100.0	100.0	100.0
1	China	148.3	165.0	173.4	162.3	147.8	-0.1	36.6	37.5	36.5	36.7	33.4
2	Bangladesh	19.3	19.6	0.0	26.5	33.5	14.8	4.8	4.4	0.0	6.0	7.6
3	Viet Nam	14.1	16.7	19.7	21.4	24.7	15.0	3.5	3.8	4.1	4.8	5.6
4	Italy	20.3	21.6	22.9	19.4	20.0	-0.5	5.0	4.9	4.8	4.4	4.5
5	Germany	17.7	18.3	19.5	16.7	17.1	-0.8	4.4	4.2	4.1	3.8	3.9
6	India	12.9	15.7	16.5	17.1	17.0	7.1	3.2	3.6	3.5	3.9	3.8
7	Hong Kong, China	21.3	20.7	19.4	17.4	14.9	-8.5	5.3	4.7	4.1	3.9	3.4
8	Turkey	13.8	15.0	16.3	14.8	14.8	1.6	3.4	3.4	3.4	3.4	3.3
9	Spain	9.3	11.1	12.0	11.9	12.3	7.3	2.3	2.5	2.5	2.7	2.8
10	Cambodia	4.0	4.8	5.3	5.9	10.3	26.6	1.0	1.1	1.1	1.3	2.3

Source: UN Comtrade, 2017

India's Top 10 Apparel Export Destinations 2016-17

EU has remained the top region for India's RMG exports; India's exports to EU was US\$ 6117.1 mn. in 2016-17; which has decreased to US\$ 6268.7 mn. in 2015-16; registering a decline of 2.4 percent in 2016-17 as compared to previous year. Moreover, EU's share in India's RMG exports is 35 % in 2016-17.

UAE has surpassed the USA and became the top country where India exported in 2016-17. India's exports to UAE has been growing for the last three years, but this is the first time they have surpassed USA as the top destination. This is also because of the 2.5% decline posted for exports to the USA.



Table 3 - India's Top 10 RMG Export Destinations

S. No.	Country	Exports in USD Mn.		% Change	% Share	
		2015-16	2016-17		2015-16	2016-17
	World	16989.5	17479.0	2.9	100.0	100.0
	EU	6268.7	6117.1	-2.4	36.9	35.0
1	U Arab Emnts	3423.8	3961.5	15.7	20.2	22.7
2	U S A	3862.0	3766.0	-2.5	22.7	21.5
3	U K	1802.4	1638.5	-9.1	10.6	9.4
4	Germany	1113.0	1151.8	3.5	6.6	6.6
5	France	830.7	780.4	-6.1	4.9	4.5
6	Spain	741.5	753.4	1.6	4.4	4.3
7	Saudi Arab	315.2	462.4	46.7	1.9	2.6
8	Netherland	380.3	397.9	4.6	2.2	2.3
9	Italy	380.0	372.4	-2.0	2.2	2.1
10	Canada	250.6	229.2	-8.5	1.5	1.3

Source: DGCI&S, Kolkata, 2017

Region wise RMG export growth has seen the trend of diversification. In value terms India's exports are high in the GCC, North America (NA) and European Union.

The position of direction of exports during 2016-17, as compared to 2015-16 in value & share terms is given below:-

Table 4 - India's RMG Exports: Region Wise

S. No.	Region	Exports in USD Mn.		Growth in 2016-17/2015 - 16	% Share	
		FY 2015-16	FY 2016-17		FY 2015-16	FY 2016-17
	Total	16989	17479	2.9	100	100
1	North America	4245	4113	-3.1	25	23.5
2	Latin America	353	326	-7.8	2.1	1.9
3	European Union	6269	6117	-2.4	36.9	35.0
4	GCC	3899	4593	17.8	22.9	26.3
5	Africa	679	764	12.5	4	4.4
6	North East Asia	393	365	-7.0	2.3	2.1
7	CIS & Baltic Countries	105	107	1.6	0.6	0.6
8	Oceania	181	190	5.0	1.1	1.1
	ROW	866	904	4.4	5.1	5.2

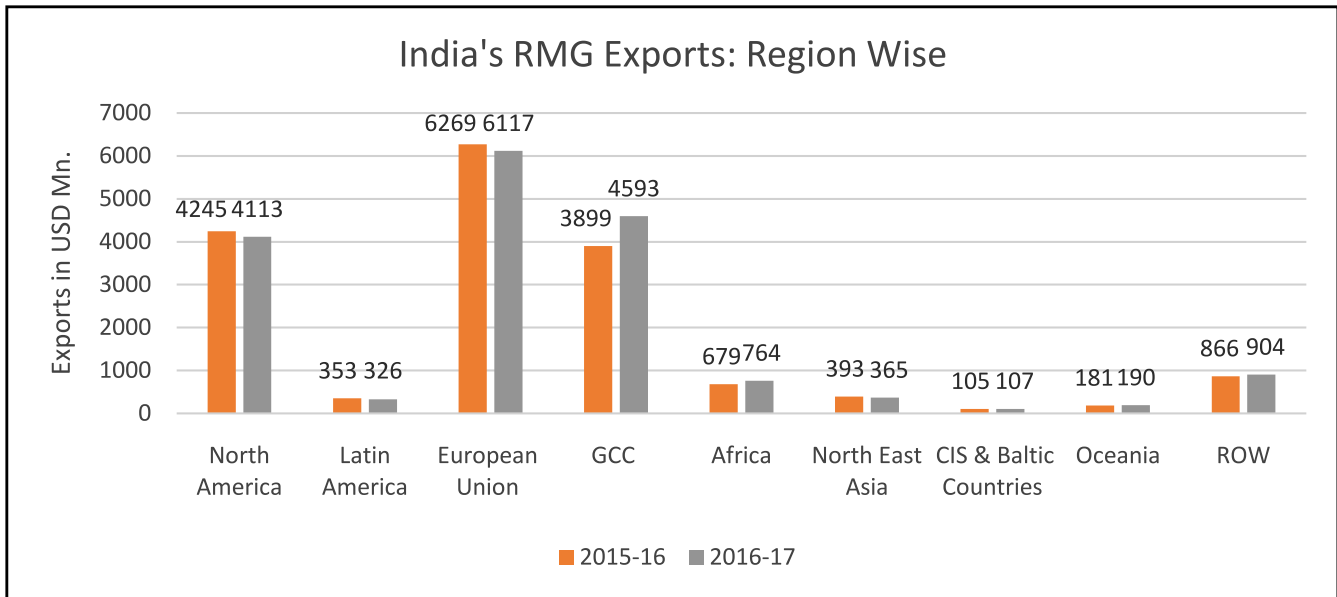
Source: DGCI&S, Kolkata, 2017

Note :

: North America including Canada

: EU - (EU 27)

: North East Asia - China, Japan, North Korea & South Korea
 : GCC - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia & United Arab Emirates
 : RoW-Rest of the World



NEW POLICY INCENTIVES RECEIVED IN 2016-17.

i) Special Package for Apparel Sector:

The Union Government announced a Rs. 6,000 crore special package for the textile and apparel sector on 22nd June 2016.

Package Highlights :

- Additional duty drawback of approximately 3.5 %. Now total drawback is around 11%.
- Drawback on import of Fabrics under Advance License – enhanced from zero to 3.3% drawback.
- Total employers contribution of 12 % for new workmen having wages less than Rs. 15000 per month by Govt . for 3 years.
- Optional PF contribution facility to workers.
- Fixed term contract employment in garment manufacturing.
- Threshold limit for availing benefit of section 80 JJAA under Income tax Act reduced to 150 days from 240 days.

ii) Duty Drawback:-

Current Drawback rates (w.e.f. 15th November, 2016) are :-

		Drawback rate effective from 15.11.2016 (2016-17)	
Tariff Item	Product	Rate (%)	Value Cap/ piece (Rs.)
For reference we have taken for Women's or Girl's blouses (6206)			
	of cotton	7.7	64
	of blend containing cotton and MMF fibre	9.5	61
	Of MMF fibre	9.8	61
	Of Silk (other than containing Noil silk)	7.6	129
	Of Wool	8.7	60
	Of Others	7.6	67



AEPC worked towards enhancing the scope of the drawback as also rates and value caps.

iii) Rebate of State Levies (ROSL)

ROSL Rates (Notified vide notification F.No.12020/03/2016-IT. Dated 4th November, 2016) – The refund of State levies was available to the apparel exporters from September 2016. The ROSL scheme was in response to industry's continued request to reimburse the State levies embedded and exported so far. Rebate rates were by and large as follows:

- Cotton Garments : 3.2% to 3.9%
- Blended and Manmade Fabric: 2.7% to 3.3%.

iv) Special Advance Authorisation Scheme :

As part of the Special package, the garment industry was offered the Special Advance Authorisation Scheme, to reimburse domestic duty paid even when fabric are imported under advance authorisation scheme.

Advance Authorization Rates (Notified vide Notification No 110/2016-Customs (NT) dated 13.08.2016) by and large are as follows:

- Cotton - 3.4%
- Blend and MMF - 4.4%

IMPORTANT ISSUES TAKEN-UP BY AEPC WITH VARIOUS GOVERNMENT AUTHORITIES

- A letter dated 24.11.2016 has been sent to Hon'ble Union Textile Minister requesting to recommend Ministry of Commerce for release of MAI grant to AEPC for the year 2015-16 and 2016-17.
- AEPC had written a letter dated 7.12.2016 to Hon'ble Finance Minister and Commissioner, GST requesting for Govt. to continuation of the current duty drawback procedure and refund for exporters should be automated and be paid in time bound manner. Pending the development and stabilization of the new input tax verification and

refund procedures, garment exporters should be allowed to claim duty drawback under the current arrangements based on all Industry Rate. Further, in the said letter, it was also requested that no tax to be changed on movement of goods from one production unit to another of the same legal entity, if exporters are authorized to have a single registration and the tax would not be apply to any movement of materials, parts and unfinished products during the production process.

- A letter dated 6.2.2017 has been written to Hon'ble Finance Minister requesting to extent the benefit of 25% rate of income tax to be extended to all types of firms so that they can be encouraged to undertake more export production.
- A letter dated 10.2.2017 has been sent to Hon'ble Prime Minister of India requesting to implementing the various decision taken by Cabinet like for making EPF optional for employees earning less than Rs. 15000 per month, increase in overtime caps, introduction of fixed Term Employment etc.
- A letter dated 16.2.2017 has been written to Secretary, Ministry of Textiles requesting to revise the under "Demand for Grants" amount for remission of State Levies (ROSL) be revisited so that remission/financial support is available to the garment exporters in line with the "Special Package" announced by Government.
- A letter dated 31.3.2017 has been sent to Hon'ble union Minister of Textiles requesting to depreciate the Rupee to a level where India's exports become competitive in the global market.

INITIATIVES AND ACTIVITIES UNDERTAKEN BY AEPC

Under the aegis of Council's awareness initiatives, several workshops were organised across India on various issues related to export enhancement and promotion, like effective utilisation of the Apparel Package, awareness on setting up of ICC, Fashion Forecast seminars, digitisation drive, cleanliness drive etc.

i) Efforts taken to create awareness on Special package by :

a) Press Conference

Apparel Export Promotion Council (AEPC) held a Press Conference on 28 July, 2016 held at the hotel, 'Le Meridien', New Delhi to create the awareness about the Special package. The occasion was graced by Mrs Sunaina Tomar, IAS, Former Joint Secretary (Exports), Ministry of Textiles. Around 90 NCR based exporters were present on the occasion.

b) SME Reach Out Seminar

AEPC had successfully concluded 16 SME Reach Out Seminars at Tirupur, Erode, Bengaluru, Jaipur, Ludhiana, Jabalpur, Chennai, Gurugram, Noida and Kolkata covering around 1800 garment manufacturer and exporter.

c) Open House with Exporters

AEPC had organized 4 open houses with exporters at Tirupur, Mumbai, Noida and Jaipur where Chairman AEPC had interacted with exporters to discuss in details the Special package for apparel, explain the modalities and how to avail of the benefits, as also to encourage the industry to scale up and employ new workmen in the industry.

d) AEPC diary coverage

AEPC in its annual diary had mentioned details about the package. Total 900 copies of the diary has been distributed to major exporters.

e) Awareness to IIGF Participants

Awareness to IIGF participants was given on the Special Package through the Fair Directory, which was circulated to 2250 participants.

f) AEPC Theme pavilion at IIGF

AEPC in its theme pavilion has covered details about the package. The pavilion had a footfall of over 300 exhibitors and 1200 visitors.

g) E-Blast

Two e-blasts regarding the package had been sent to over 8000 members of AEPC.

h) Compendium

AEPC has prepared a compendium on special package which includes detailed Information on the announced package, notifications & application format links. This will be converted into CD and will be send to over 8000 members.

i) Website

AEPC has uploaded the information about the package in its website www.aepcindia.com, which is been visited by garment exporters for insight of garment industry and other information.

j) Coverage in Apparel India Magazine

AEPC is covering details of the awareness workshops on Special and updates related to Special Package notifications in every issue of AEPC's Apparel India magazine, since its rollout.



ii) AEPC awareness seminars on Internal Complaints Committee (ICC) for safer workplace

As part of Council's Awareness Initiatives, AEPC series of Awareness Programme on benefits and setting up of Internal Complaints Committee (ICC) in pursuance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act of 2013). The training was conducted through legal experts and NGOs



working in this area and highlighted the benefit of setting up of ICC for availing ROSL benefits, under the special package.



AEPC organized awareness seminar on ROSL scheme at Gurugram, Noida, Tirupur, Kolkata, Bengaluru, Mumbai, etc.

iii) AEPC awareness seminars on Unified Payment Interface (UPI) awareness program in Head Office and Regional offices.

AEPC conducted UPI awareness program in Head Office and all its regional offices i.e. Kolkata, Jaipur, Ludhiana, Chennai, Bengaluru, Tirupur, Mumbai. All the Regional Offices were instructed to associate with different Banks like ICICI, SBI, HDFC, IOB, Bank of Baroda etc. for organizing this awareness seminar. Through tie ups with local banks, AEPC organised workshops for adopting UPI at manufacturing units

iv) AEPC awareness seminars on GST

AEPC initiated its capacity building programme for GST roll out from March 2017 itself. Series of sessions with experts and trainers were organised.



AEPC organized a seminar on 29th March, 2017 in Mumbai on GST Frame Work where Ernst & Young gave a presentation on different aspects of GST. On this occasion, Shri Ashok G Rajani, Chairman, briefed the members on background of All Industries Rate (AIR) of Duty Drawback under GST regime. Similar sessions were organised in other centres also.

v) AEPC awareness campaigns on Digitisation

To promote Government's vision of cashless India AEPC conducted camps to open bank accounts of the workers. Representatives from AEPC along with bank officials organised 76 camps wherein 33529 bank accounts were opened in Noida, Delhi, Tirupur, Kolkata, Bengaluru, Chennai, Mumbai, Ludhiana and Jaipur.



AEPC Organized Camps to Open Bank Accounts for workers to enable them to go cashless.

vi) AEPC- ILO Project for development of Good practice Manual for Apparel Industry

The AEPC ILO project was initiated in September, 2016 with the objective to benchmark India vis-à-vis the competing countries. To meet the competition and ensure growth, it is important to identify opportunities where efficiencies and productivity can be enhanced. For the same, AEPC has entered into a technical partnership with ILO.

As a technical partner ILO has helped identify existing practices in India, identified the gaps, developed the framework for the manual and finally will develop the manual. AEPC, as industry partner will be helping in dissemination of the manual recommendations and ensure greater awareness and absorption of the manual guidances.

Under this a base study was done to assess the existing practices. Case studies were done for various sizes factories in NCR, Jaipur, Mumbai, Bengaluru and Tirupur. A total of 43 units were covered. The study has been completed in March 2017. On the basis of both primary and secondary data, analyze and identify factors impeding the adoption of good management practices, including labour practices and ways to overcome the current problems

vii) AEPC's cluster development initiative

AEPC initiated cluster development programmes in 2016 for improving supply side of Indian export basket. The first cluster adopted for the programme was the Metiabruz garment cluster.

As a first step, AEPC conducted a study on the cluster for better understand of the intervention needs of this cluster, including product development, compliance, finance and logistic issues and develop a common facility center (CFC) for servicing these needs. The need assessment report of the study has been used for finalizing the interventions in the cluster. Based on that an MoU was signed with the State Govt, MSME Dept on the sidelines of West Bengal Global Business Summit

2017 in January 2017. Under the marketing & awareness support in MoU between AEPC & M,S, M & T Department of Govt. of Bengal in AEPC Cluster Development Initiative.

viii) AEPC Progen Initiative

To tap into the energy and new ideas that the young entrepreneurs can provide for strengthening AEPC's exports strategies for the future, Chairman AEPC constituted the Progen Sub Committee in 2016. The Progen initiative was launched in 2017 at Mumbai by Chairman-AEPC. The Progen Brochure and Member's Directory was unveiled during the Launch. Chairman addressed the members on the urgent need for such a Committee to infuse technology driven initiatives as also other new ideas for export enhancement. To set the tone and provide a global context to the challenges before the industry today, Mr. Nimish Dave, Management Strategy Consultant gave a talk on the Millennial challenges and strategies to overcome them. An important area of focus was the new ways of marketing, especially social media marketing.

The Sub committee has members from all regions, lead by the Zonal heads who have been nominated by the members themselves. The Zonal teams have been conducting workshops with their teams in the region on issues pertaining to the region.



APPAREL INDIA MAGAZINE

The Apparel India magazine was substantially



revamped, with significant improvement in design, quality and content. The content consists of information on sectoral trends and issues, forthcoming fairs and exhibitions, trade data and Government notifications.

Printed copies of Apparel India Magazine were circulated to all members, besides MoT, MoC & DGFT. A link to the e-magazine is put on Council's website for wider circulation.

Efforts are also being made to convert it into a user friendly flip book for wider circulation economically.

EXPORT PROMOTION

(a) Buyer Seller Meet at Barcelona (6- 7 October, 2016) & Madrid (10-11 October, 2016) in Spain:-

Buyer Seller Meet was organized at Barcelona & Madrid in Spain from 6-11 October, 2016 with 37 exhibitors. 103 buyers visited at Barcelona and 162 buyers visited at Madrid during the BSM days and business generated was US\$ 333890.



(b) Buyer Seller Meet at Kuala Lumpur, Malaysia (17th October, 2016) and Jakarta, Indonesia (20th October, 2016) :-

The Buyer Seller Meet was organized at Malaysia and Indonesia from 17th-20th October, 2016 with 8 exhibitors. 40 visitors visited at Kuala Lumpur and 64 visitors visited at Jakarta and business generated as US\$ 70000.

INTERNATIONAL FAIRS

(a) Hong Kong Fashion Week, Hong Kong (4-7 July, 2016):-

The Council participated with 36

exhibitors. 1200 visitors visited the HKFW and business generated was US\$ 664300

(b) Sourcing at Magic Fair, Las Vegas, USA (14-17 August, 2016):-

The Council participated with 53 exhibitors. 1200 visitors visited the fair and business generated was US\$ 8.77 Mn.

(c) Hong Kong Fashion Week, Hong Kong (16-19 January, 2017):-

The Council participated with 21 exhibitors. 7000 visitors visited the HKFW and business generated was US\$ 77300 and US\$ 791300 under negotiation.

(d) Sourcing at Magic Fair, Las Vegas, USA (20-23 February, 2017) :-

The Council participated with 25 exhibitors who have booked 30 booths. 1450 Visitors visited the fair and business generated was US\$ 0.60 Mn and value of order under negotiation (approx.) USD 6.15 Mn.

(e) India Trend Fair (ITF) at Tokyo, Japan (27-29 September, 2016) :-

The Council participated with 50 exhibitors. Dr. Kavita Gupta, Textile Commissioner visited the fair for promoting the event. 1628 visitors visited the fair and business generated US\$ 7169873.



(f) International Apparel & Textile Fair, Dubai (14-15 November, 2016):-

The Council participated with 18 exhibitors who have booked 20 booths. 2200 Visitors visited the fair and business generated was US\$ 99500.

(g) International Sourcing Expo Australia (ISEA), Melbourne, Australia (15-17 November, 2016):-

The Council participated through FIEO. Out of 66 exhibitors, 10 exhibitors are AEPC's member. 325 buyers visited the fair and business generated US\$ 35000.

DELEGATIONS:-

Visit of High level Trade Delegation of AEPC to Tehran, Iran (23-25 April, 2016) & Dubai, UAE (26-27 April, 2016)

A High level trade delegation visited Tehran, Iran and Dubai, UAE during 23-27 April, 2016 under the leadership of Shri. Ashok G Rajani, Chairman – AEPC, who was accompanied by Sh. Virender Uppal, EC member, Sh. Lalit Gulati, EC member, Sh. Premal Udani, EC member, and Sh. Rishi Rajani, EC member, AEPC.

The objective of the visit of the delegation was:-

To meet Garment Buyers, Associations, chain stores, Departmental Stores and big Importers dealing in garment buying with a view to set up institutional mechanism for increasing exports of garments from India to Iran and UAE. The delegation has also invited garment buyers to India International Garment Fair, which would be held in New Delhi during January & July every year.

Visit of AEPC Delegation to Sourcing at Magic, Las Vegas during 14-17 August, 2016

Two member delegation from AEPC Executive committee members, consisting of Shri. Amit Goyal, and Shri, Mohan Sadhwani visited Sourcing at Magic, Las Vegas, USA during August, 2016. The members visited the India Pavilion and hold meeting with fair authority of Sourcing at Magic, USA.

Visit of AEPC Delegation to Buyer Seller Meet at Barcelona & Madrid during 6-11 October, 2016

Shri. Ashok G Rajani, Chairman, AEPC visited at Barcelona, Spain during the BSM days. He hold meeting with Officials of Embassy of India, Spain and PR agency of the BSM.



Visit of AEPC Delegation to International Apparel & Textile Fair, Dubai from 14-15 November, 2016

Shri. Ashok G Rajani, Chairman, AEPC & Shri. H.K.L. Magu, Vice Chairman, AEPC visited Dubai, UAE during the fair days and met exhibitors and fair authorities and Officials of Embassy of India, UAE.

DOMESTIC EVENTS

i) The 57th India International Garment Fair (IIGF) was organized from 18 – 20 July, 2016, at Hall Nos. 7D, 7E, 8,9,10,11,12 & 12A, Pragati Maidan, New Delhi. The 57th edition of India International Garment Fair (IIGF) was inaugurated by Shri Ajay Tamta, Hon'ble Minister of State for Textiles as Chief Guest in the presence of Smt. Sunaina Tomar, IAS, Joint Secretary (Exports), Ministry of Textiles, who was the Guest of Honour, Smt. Pushpa Subrahmanyam, IAS, Addl. Secretary, Ministry of Textiles and Shri Ashok G Rajani, Chairman, AEPC, Shri Ram Singh, IPS, Secretary General, AEPC, Shri Lalit Thukral, Vice Chairman (EAC), AEPC, Presidents of Organizing Associations and Executive Committee members of AEPC at Foyer of Hall No. 12 & 12A, Pragati Maidan, New Delhi.

408 participants participated in the fair. During the three days of the fair, 862 buyers from 67 countries and 258 buying agents visited the fair. It has been reported that the business potential from the fair would be around US\$ 207.88 million.

Ministry of Commerce & Industry has sanctioned an MAI grant of Rs. 400 lakhs for the 57th IIGF. During the



57th IIGF, 170 buyers were sponsored by providing complementary airfare and hotel stay and 162 buyers were given only complementary hotel stay for 3 nights under RBSM.



ii) The 58th India International Garment Fair (IIGF) was organized from 18 – 20 January, 2017, at Hall Nos. 8,9,10,11,12 & 12A, Pragati Maidan, New Delhi. The 58th edition of India International Garment Fair (IIGF) was inaugurated by Smt. Smriti Zubin Irani, Hon'ble Union Minister for Textiles as Chief Guest in the presence of Smt. Rashmi Verma, IAS, the then Secretary, Ministry of Textiles, Sh. Subrata Gupta, IAS, Joint Secretary (Exports), Ministry of Textiles, Sh. Ashok G Rajani, Chairman, AEPC, Sh. H. K. L. Magu, Vice Chairman, AEPC, Sh. Ram Singh, IPS, SG, AEPC, Sh. Lalit Thukral, Chairman (EAC), AEPC, Presidents of Organizing Associations and Executive Committee members of AEPC at Foyer of Hall No. 12 & 12A, Pragati Maidan, New Delhi.

316 participants participated in the fair. During the three days of the fair, 715 buyers from 64 countries and 247 buying agents visited the fair. It has been reported that the business potential from the fair would be around US\$ 203.33 million.

Ministry of Commerce & Industry has sanctioned an MAI grant of Rs. 400 lakhs for the 58th IIGF. During the 58th IIGF, 207 buyers were sponsored by providing complementary airfare and hotel stay and 89 buyers were given only complementary hotel stay for 3 nights under RBSM.

iii) Fashion forecasts Seminars

AEPC bring the most popular global trends services of International fashion consultants -WGSN to conduct Fashion Forecast Seminars & free assess of WGSN website pan India to educate its members and update them on the most pertinent global trend information to enable them to stay relevant and on- trend when developing product for their customers.

The seminars were conducted in November 2016 and March 2017 PAN India i.e. Tirupur, Mumbai, Gurugram, Jaipur, Ludhiana, Noida & Kolkata.

Seminars comprised of presentations on trends for following categories:

- Menswear
- Women's wear
- Kid's wear
- Denim
- Knit wear
- Soft Accessories (scarves, stoles shawls etc.)

Besides seminars, AEPC has also taken online free connection of WGSN trend forecast for regular use of its members, who were not able to attend seminars or subscribe trends forecasts services. WGSN's inspiration and insight facility are available free of cost to AEPC members from any AEPC offices located at Apparel House-Gurugram, Noida, Jaipur, Ludhiana, Bengaluru, Mumbai, Kolkata & Tirupur.

iv) Export Award Function

Council facilitated and honored readymade garment exporters, who have excelled in their export performance for the year 2015-16. The event was organised on 19th December, 2016 at Hotel Taj Palace, New Delhi. The event was inaugurated and distribution of awards in 17 different categories were done by Hon'ble Union Minister of Textiles Smt. Smriti Zubin Irani in the presence of Shri Ajay Tamta, Hon'ble

Minister of State for Textiles, Govt. of India , Smt. Rashmi Verma, IAS, the then Secretary, Ministry of Textiles and Shri Ashok G Rajani, Chairman-AEPC.

RISK MANAGEMENT POLICY

During the year the Executive Committee oversees that all the risks that the organization faces such as strategic or operational have been identified and there is adequate risk management infrastructure in place capable of addressing those risks. All the Council's properties, plant and machinery installed at Apparel House, Gurugram are covered under the appropriate insurance policies. Various adequate insurance policies, to cover various risks relating to its employees, are taken by the office.

The Council has in place adequate internal financial control and internal auditor has been appointed. Further as per provisions of Companies Act professional agency has been hired to undertake internal financial control assignment also.

For securing, the informatics systems that store, process, or transmit organizational information, from the high degree of digital data theft risks, firewall has been installed at all incoming & outgoing data traffic and well reputed internal antivirus with other security features has also been implemented.

HUMAN RESOURCES

Health Camp

Health Check-up Camp was organized in association with M/s Iffco Tokio General Insurance Co. Ltd. and its TPA M/s Vipul Medcorp TPA Private Limited on January 10, 2017 at its Head Office, Apparel House, Gurugram. The Health Check-up Camp was conducted under the supervision of health specialists from Healthspring Hospitals, Eye-Q Super Specialty Eye Hospital, Alok Bone Densitometry Centre and W Pratiksha Hospital, Gurugram.

Over 82 employees of the Council attended the Health Check up Camp.

International Women's Day Celebration

On the occasion of International Women's Day on 8th March, 2017 Council organized the following activities for the female employees of the Council in association with TPA M/s Vipul Medcorp TPA Private Limited at the Head Office and Regional offices of the Council:

- i. Rose buds and chocolates were presented to female employees of the Council at Head Office and Regional Offices which was followed by a cake cutting ceremony at all the offices of the Council
- ii. Yoga Session @ Head Office – Yoga asanas were demonstrated and taught by a qualified yoga instructor which can be exercised daily for keeping body and mind fit
- iii. Live Demo on Diet Food – Practical diet food cooking session was conducted by qualified dietitian from Med Care Pvt. Ltd.

Product Stalls were set up at Head Office by the brands like Amway, Oriflamme and Tupperware for employees to shop health and beauty products. The day was concluded with the fun games organized for female employees at Head Office.





KNITWEAR TECHNOLOGY MISSION

Various types of polyester fabrics like mesh, satin, tricot, sharkskin, queens cord etc. were produced from Tricot warp knitting machine installed at KTM centre. Fabric conversion job work was undertaken as per customer specifications.

Short term training on Knitwear Manufacturing & Management focusing entrepreneurship promotion and skill development was conducted for two batches of trainees.

Yarn/fabric/garment samples were received for testing yarn count, yarn unevenness/imperfections/hairiness, yarn CSP, yarn twist, colour fastness to washing/light/rubbing/perspiration, fabric shrinkage & spirality etc.

Presentations were made to academia (PSG College of Technology, Kumaraguru College and Bannariamman Instt. of Technology) on KTM activities and services.

Promotional activities: Email communications, notice distribution, newspaper ads are some of the measures taken to promote KTM services better reaching out to the trade and industry. Fabric & garment samples developed at KTM centre were showcased during India International Knit Fair & Yarnex Fair.

EXPORT PERFORMANCE CERTIFICATE

The Council has issued Export Performance Certificates to its members/exporters for import of eligible items or trimming and embellishment under 5% and 1% duty free entitlement scheme of Govt. of India. During the year 2016-2017, 1359 (5%=1242 + 1%=117) Export Performance Certificates were issued. Post verification of Bank Certificates and CA certificate, deposited along with application for issuance of EPC, were made by Head Office on random basis i.e. 20% of EPC issued. AEPC deputed representative (10% random cases of EPC issued) to ascertain that manufacturing activities of readymade garment are being carried out by the EPC holder. During 2016-2017, 142 nos. of units were visited by AEPC representatives.

AEPC SKILL ASSESSMENT CELL

The AEPC Skill Assessment Cell is operational since September 2009 with the objectives to test & certify skills and to generate employable workforce.

AEPC is an empanelled assessment agency authorized by Directorate General of Employment & Training (DGE&T) under the Skill Development Initiative (SDI) to conduct MES Assessments in the Apparel/Garment, Khadi and Carpet sectors and by the Ministry of Textiles / Textiles Committee, under the Integrated Skill Development Scheme (ISDS) to conduct assessments for Apparel/Garment & Textile Sectors. Further AEPC has also attained empanelment with the Sector Skill Council for Apparel, Made-ups and Home Furnishings (SSC-AMH) in view of the increasing competition under the new structure of ISDS and to increase the scope of work while generating more business. Under this Scheme, AEPC Skill Assessment Cell has the opportunity to work under the prestigious Pradhan Mantri Kaushal Vikas Yojna (PMKVY) Scheme and conduct assessments for the candidates trained under PMKVY.

Under the above schemes, since its inception AEPC Skill Assessment Cell has assessed over 1,38,000 candidates as on date under MES & NON-MES category.

Given below is the status report of the Skill Department w.r.t. MES & Non-MES assessments conducted in the period of April 2016-March 2017.

Category	Candidates assessed 1st April 2016- 31st March 2017
MES	324
NON MES	8141
TOTAL	8465

ASSET MANAGEMENT

- i) AEPC premise at 15 NBCC Tower, Bhikaji Cama Place, New Delhi leased out to M/s NICS I @ Rs. 225/- per sq.ft. per month for 5 years w.e.f. 25/05/2015 have been renovated as per

requirement of M/s. NICSI.

- ii) AEPC premises at Unit No. 10, Raheja Chambers, Bangalore vacated by M/s. Mouser Electronics Pvt. Ltd. and the office in a process to rent out the same.
- iii) The rent agreement of Naraina office premises have been renewed with 10% enhancement on the last paid rent for a period of 5 years without any further enhancement during the tenure.
- iv) The statutory taxes such as property tax, maintenance charges, cess etc. have been deposited with authority concerned in respects of AEPC's premises wherever applicable

SECRETARIAL & MEMBERSHIP

The new entrant can apply for registration either at Registered Office of the Council at New Delhi or Head Office and other nodal offices.

During the year 2016-17, 1217 new Registered Exporters were enrolled.

The latest position as on 31st March, 2017 is as under:

Type	MER	MCM	MAF	Total
Member Exporters	126	10	1108	1244
Registered Exporters	172	2644	4330	7146
			G. Total	8390

MER : Merchant
MCM : Merchant cum Manufacturer
MAF : Manufacturer

The total number of Registered Exporters converted as Member as on date is 2459, since inception. System has been developed whereby intimation is sent to those Registered Exporters who fulfil the eligibility criteria for conversion to Member Exporters.

NUMBER OF EXECUTIVE COMMITTEE MEETING

During Financial Year 2016-17, 6 Nos of Executive Committee meetings were held as detailed below:-

Serial No.	Date
1	18.04.2016
2	04.07.2016
3	17.08.2016
4	04.11.2016
5.	18.01.2017
6.	16.03.2017

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2016-17 has been enclosed with this report at Annexure-I.

SUB-COMMITTEES

The executive Committee of the Council has divided the functions to the following Sub-Committees with the objectives indicated:

1. Advisory Committee

The main purpose of this committee is to discuss, deliberate emergent issues pertaining to Central/State matters concerning the garment export industries. The Committee advise the Chairman on crucial various matters pertaining to ministries such as Commerce, Finance and Textile etc., and also all legal matters.

2. Export Promotion Committee

The committee will monitor and decide on various international and national fairs, delegations, buyer-seller meet, organizing of various seminars in the country, holding of export award function, WTO matters, Foreign Trade Policy matter, proposal to Ministry of Textiles/Commerce/Finance for funding, liaison with all Ministries /Committees to organize international & domestic road shows and other matters delegated from time to time.



3. Exhibition Advisory Committee

Exhibition Advisory Committee is the Core Committee to look after the work related to Tex-Trends and India International Garment Fair.

4. Apparel Market Days - Core Committee

The committee looks after day to day work of Apparel Market Days Co-ordinate with the Apparel House Showroom Holders for organizing the Market Days at Apparel House. The above Core Committee is part of Export Promotion Sub-Committee.

5. Apparel House Committee

The committee looks after day to day function, regarding allotment of showrooms, re allotment of showrooms and managing of showrooms at Apparel House, Gurugram, with the approval of Chairman, AEPC.

6. Staff Committee

To monitor, regulate and decide about the service matters of the council's employees.

7. Finance & Budget Committee

- To ensure accounts are maintained properly and audited promptly.
- To review quarterly financial and budget matters.
- To create a proper system of checks and balances and to ensure total transparency.
- To prepare budgetary estimates for approval of the Executive Committee and to Monitor it.

8. Knitwear Technology Mission

- To develop new blends and technology to enhance the knitwear export from the country.
- To look into various ways and method to enhance productivity in knitted apparel manufacturing units

- Interact with the industry for their requirement in different areas of production.
- To take decision regarding day to day functioning of Knitwear Technology Mission at Tirupur.
- To take all decision regarding KTM projects.

9. State Partnership Sub Committee

To liaison with various State Governments and negotiate favourable terms for setting up industry in these regions and to take up matters relating to minimum wage, labour laws etc with respective State Government.

As the focus is on working with particular State Governments therefore, the meetings will be convened Region Wise.

10. Disha Residual Committee

To look into the DISHA residual matters.

11. Tech Committee

- To make Council's all service digital
- To upgrade all AEPC's Technological Activities

12. Progen Committee

- To get new and innovative ideas on how to enhance exports, specially through better use of Information Technology in Apparel production, supply chain management and bringing in overall efficiency. The Committee may also provide ideas on how to improve relevance of AEPC in the changing global apparel scenario through new ideas and strategies for export promotion
- The Committee may help AEPC in capacity building of the exports in the various apparel clusters, for tapping new markets, product development and promotion of Make in India brand.

13. CSR Committee

- To formulate and recommend to the Executive Committee a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Council as specified in schedule vii.
- To recommend the amount of expenditure to be incurred on the activities referred above.
- To monitor the Corporate Social Responsibility Policy of the Council

APPAREL HOUSE

The Apparel House, a premiere hub for international trade in apparel and accessories, has showrooms Auditorium, Exhibition Hall, Art Gallery, Cafeteria, Plaza Area, Amphi theatre, conference room, Travel Desk and Bank/ATM is located at Gurugram. The Head Office of Apparel Export Promotion Council is also located at Apparel House.

Fire mock drill were organized through trained fire officer in the presence of the fire department official, Gurugram during the year from time to time in order to make the occupants aware about the precautions to be taken in the course of fire breaks out in the building as well as were educated about the use of fire equipment's about procedure to provide first aid to fire victims etc.

STATE OF COMPANY AFFAIR

(Financial Review)

- The net results shows a surplus of Rs.12.14 Crore as against surplus of Rs. 22.96 Crore during the previous year;

Particular	Amount 2016-17	Amount 2015-16	Difference Increase (Decrease)
Rs. In Crore			
Total Income	67.96	75.97	(8.01)
Total Expenditure	55.82	53.01	2.81
Net Surplus	12.14	22.96	(10.82)

- The total income of the Council during the current year is Rs.67.96 Crore as compared to Rs.75.97 Crore during the previous year, indicating a decrease of Rs.8.01 Crore;

Source of Income	Amount 2016-17	Amount 2015-16	Difference Increase (Decrease)
Rs. In Crore			
Membership Income	6.24	6.00	0.24
Council Fees	9.62	6.89	2.73
Export Promotion Receipts	25.36	28.86	(3.5)
Assessment Income	0.57	1.72	(1.15)
Rent	11.20	11.34	(0.14)
Interest	9.38	11.40	(2.02)
Reversal of provision	4.85	8.40	(3.55)
Others	0.74	1.36	(0.62)
Total	67.96	75.97	(8.01)

- The total expenditure of the Council during the current year is Rs. 55.82 Crore as compared to Rs. 53.01 Crore during the previous year, indicating an increase of expenditure by Rs. 2.81 Crore;



Head of Expenditure	Amount 2016-17	Amount 2015-16	Difference Increase (Decrease)
Rs. In Crore			
Salaries & Staff Benefits	14.75	13.00	1.75
Administrative & Office Expenditure	6.29	5.60	0.69
Meeting Expenses	1.65	1.19	0.46
Legal & professional Charges	1.27	1.02	0.25
Export Promotion Expenses	27.80	25.49	2.31
Assessment Expenditure	0.09	0.22	(0.13)
Depreciation	3.48	4.26	(0.78)
Service Tax Provision	0.20	2.02	(1.82)
Donations/ Contribution for CSR Activities	0.29	0.21	0.08
Total	55.82	53.01	2.81

- An amount of Rs. 27.80 Crore was incurred on Export Promotion Activities as against Rs 25.49 Crore during previous year. The contribution/ income on EP Projects (including Govt. Grants of Rs. 8.58 Crore) during the current year was Rs. 25.36 Crore as against Rs. 28.86 Crore (including Govt. Grants of Rs. 10.68 Crore) during previous year.
- During the year Council has incurred Rs. 5.38 lac on capital expenditure as against Rs. 20.00 Lac during previous year.

AMOUNT TRANSFERRED TO RESERVES

The Executive Committee of the Council has decided to carry Rs 28.00 lakhs in the capital assets funds as per Section 11(2) of Income Tax Act 1961.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2016-17 till the date of this report.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy :

Steps taken for conservation	i) Replacement of 120 W lamps in the exhibition hall with 75 W ii) Reduction in usage of 70 no.s butterfly pole lights from 6:30 pm -5:30 am to 6:30 pm -11 pm iii. Regulating water usage for gardening purposes by restricting unauthorized handling iv. Segregating Lighting arrangements from 2nd floor to 7th floor for better control
Steps taken for utilizing alternate sources of energy	NIL
Capital investment on energy conservation equipments	NIL

b) Technology Absorption:

Efforts made for technology absorption	Nil
Benefits derived	Nil
Expenditure on Research & Development, if any	Nil
Details of technology imported, if any	Nil
Year of import	Nil
Whether imported technology fully absorbed	Nil
Areas where absorption of imported technology has not taken place, if any	NA

c) Foreign Exchange Earnings/ Outgo:

Earnings	Nil
Outgo	Rs.10.50 Cr

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year the Council had not entered into any contract / arrangement with related parties which could be considered material in accordance with related party transaction.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2016-17, in the prescribed format, AOC 2 has been enclosed with the report at Annexure-II.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Executive Committee constituted CSR committee comprising of 4 Executive Committee members of the Council. The said committee in its meeting held on 18.01.2017, recommended to contribute Rs.21 lacs towards Army Wife Welfare Foundation & Rs. 8 Lacs towards Prime Minister National Relied Fund for the FY 2016-2017, as CSR policy. Accordingly payment was made in Army Wife Welfare Foundation & Prime

Minister National Relied Fund. Annual report on CSR activities is hereby annexed at annexure-III of this report.

CHANGE IN NATURE OF BUSINESS

There is no change in nature of business of the council during the year

DETAILS OF DIRECTORS APPOINTED AND RESIGNED DURING THE YEAR

S. No	Name	Status
1.	Sh. Sudhir Tripathi	Ceased as Government Nominee
2.	Smt. Sunaina Tomar	Ceased as Government Nominee
3.	Smt. Sarada G Muraleedharan	Nominated as Government Nominee
4.	Sh. Subrata Gupta	Nominated as Government Nominee
5.	Sh. G.S.Madan	Ceased as Executive Committee Member
6.	Sh. Jagadish Hinduja	Ceased as Executive Committee Member
7.	Sh. Manav Goyal	Ceased as Executive Committee Member
8.	Sh. Gautam Nair	Elected as Executive Committee Member
9.	Sh.R.Ramu	Elected as Executive Committee Member
10.	Sh. K.M. Subramaniam	Elected as Executive Committee Member
11.	Sh. J.B.Jain	Elected as Executive Committee Member
12.	Sh.Vijay Kumar Agarwal	Reappointed as Executive Committee Member
13.	Sh. Premal H Udani	Reappointed as Executive Committee Member



14	Sh. Rakesh Vaid	Reappointed as Executive Committee Member
15	Sh. H.K.L Magu	Reappointed as Executive Committee Member
16	Sh. B. Shanmugasundaram	Reappointed as Executive Committee Member
17	Sh. Rahul Mehta	Appointed as Co-opted Member
18.	Sh. Anil Peshawari	Appointed as Co-opted Member
19.	Sh. Jagadish Hinduja	Appointed as Co-opted Member
20.	Sh. Anil Buchasia	Appointed as Co-opted Member

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

Council does not have any its Subsidiary, Joint Venture or Associates Company.

DEPOSITS

During the year council had not accepted any deposit from its members. Therefore there is no unpaid or unclaimed deposit as at the end of the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

The Council has not received any significant and material orders passed by any Regulators or Court or Tribunal which shall impact the going concern status and the Company's operations in future.

INTERNAL FINANCIAL CONTROL

The Executive Committee of the Council considered material placed before it, and after reviewing the confirmation from external parties and reviewing the effectiveness of the policies and procedures adopted by the Council for ensuring orderly and efficient conduct, including adherence to company's policy,

safeguarding its assets, prevention and detection of frauds and errors and completeness of accounting records and timely preparation of financial statements, the Executive Committee has satisfied itself that the Company has laid down internal financial controls, commensurate with size of the council and that such internal financial controls are broadly adequate and are operating effectively. The certification by the auditors on internal financial control forms part of the audit report.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

Committee has been constituted to safeguard the interest of women against the Sexual harassment at workplace with following functions.

- i). Provide a safe working environment to the employees of Council.
- ii). Display conspicuously at the workplace, the penal consequences of indulging in acts that may constitute sexual harassment and the composition of the internal complaints committee.
- iii). Organize workshops and awareness programmes at regular intervals for sensitizing employees on the issues and implications of workplace sexual harassment and organizing orientation programmes for members of the internal complains committee.
- iv). Treat sexual harassment as misconduct under the service rules and initiate action for misconduct.

During the year two meetings held and there was no case reported pursuant to the sexual harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your Executive Committee Members confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Executive Committee had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the income & expenditure of the Company for that period;
- c) the Executive Committee had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Executive Committee had prepared the annual accounts on a going concern basis;
- e) the Executive Committee had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXPLANATION TO AUDITOR'S REMARKS

The notes on financial statements referred to in the Auditor's Report are self explanatory and do not call for any further comments. The Auditor's Report for the year 2016-2017 does not contain any qualification, reservation or adverse remarks.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

During the F.Y 2016-2017, Council does't provides any loan, Guarantee and made any investment pursuant to section 186 of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules is annexed herewith as Annexure IV to this Report.

RETIRING MEMBERS

In accordance with the provision of the act and Articles of Association of the Council Sh. Pravin Kumar Agarwal, Sh. Narendra Kumar Goenka, Sh. Amit N. Goyal from Western Region, Sh. Hari Kapoor, Sh. Sudhir Sekhri, Sh. Lalit Thukral from Northern Region and Dr.A.Sakthivel, Sh. A.S.Subramanian, Sh. Ranjit P Shah from Southern Region are retiring by rotation and Sh. Anil Buchasia from Eastern Region, is retiring otherwise. The Executive Committee places on record its appreciation for the guidance and valuable services rendered by the outgoing Executive Committee Members.

AUDITORS

M/s. S.P. Puri & Co. Chartered Accountants, Auditor of the Council were appointed at 36th Annual General Meeting of the Council up to the conclusion of 41st Annual General and their appointment was ratified in 37th Annual General Meeting up to the conclusion of 38th Annual General Meeting.



ACKNOWLEDGEMENT

The Executive Committee of AEPC express its sincere gratitude for the cooperation, assistance and support extended by the Hon'ble Minister of Textiles and I&B (Additional Charge), Smt. Smriti Zubin Irani, Hon'ble Minister of State for Textiles, Shri Ajay Tamta, Shri. Anant Kumar Singh, IAS, Secretary (Textiles), Shri. Subrata Gupta, IAS, Joint Secretary (Exports) and other officers of the Ministry of Textiles.

It is pertinent to mention that the then Secretary (Textiles) Smt. Rashmi Verma, IAS and the then Joint Secretary (Exports), Smt Sunaina Tomar, IAS, helped and contributed in all projects, to address the concern of Apparel Industry, in the best possible manner. The Executive Committee of AEPC, therefore, places on record its sincere gratitude towards both of them.

The Committee also expresses its deep appreciation for the assistance, cooperation and support extended by Ministry of Commerce & Industry, Textile Commissioner, DGFT, Textiles Committee, Central Board of Excise and Customs and other officers of the Government of India for promotion of export of readymade garments to various countries.

The Executive Committee is deeply appreciative of the enthusiasm, initiative, hard work and dedicated efforts of all officers and staff of the council without which the achievements of the Council's goals would not have been possible.

The Executive Committee of the Council also thanked the members who have continued to repose their faith and trust in the management of the Council by continues support, guidance and co-operation given by the trade in various fields towards meeting the goals set forth for the readymade garment industry.

For and on behalf of Executive Committee

Ashok G Rajani
Chairman

Place : Goa

Date: 29/07/2017

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 2017

[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:

1.	Corporate Identification Number (CIN)	U74899DL1978NPL008877
2.	Registration Date	22.02.1978
3.	Name of the Company	Apparel Export Promotion Council
4.	Category/Sub-Category of the Company	Company limited by Guarantee without having share capital
5.	Address of the Registered office and contact details	A-223, Okhla Industrial Area, Phase-I, New Delhi-110020. Telefax+011-40501798 E mail ID -smalhotra@aepcindia.com
6.	Whether listed company	No
7.	Name, Address and Contact details of Register and Transfer Agent	Company has not appointed any Register and Transfer Agent

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:-

S. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1.	Organization of conventions and trade shows	823	

***As per National Industrial Classifications 2008 (NIC-2008)**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

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 i.e. 01/04/2016				No. of Shares held at the end of the year i.e.31/03/2017				% Changes during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs –Individual	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Crop.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) Sate Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(i-a) Foreign Portfolio Investor -II	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	-
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) Other (specify)	-	-	-	-	-	-	-	-	-

(c-i) Clearing Members	-	-	-	-	-	-	-	-	-
(c-ii) Non-Resident Indians	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-

ii) Shareholding of Promoters

Name of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2016			No. of Shares held at the end of the year i.e. 31.03.2017			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

iii) No Change in Promoters' Shareholding

iv) Shareholding of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs): There is no other Shareholder, other than Directors, Promoters and Holders of GDRs and ADRs Shareholder.

Sl. No.	For Each of the Top 10 Shareholders	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
1	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A
2	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A

3	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A
4	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A
5	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A
5	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A
6	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A
7	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A
8	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A

9	At the beginning of the year	N.A	N.A	N.A	N.A
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	N.A	N.A
	At the end of the year	N.A	N.A	N.A	N.A

v) Shareholding of Directors and Key Managerial Personnel :

S.No	Name of Director/ KMP	Shareholding of each Directors and each Key Managerial Personnel	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
1		At the beginning of the year	N.A	N.A	N.A	N.A
		Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A	N.A	N.A	N.A
		At the end of the year	N.A	N.A	N.A	N.A

VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Crores)

Mn	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
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. No Remuneration has been paid to Managing Director, Whole- time Directors, Manager.
- B. No Remuneration has been paid to other directors.
- C. No Remuneration to Key Managerial Personnel other than Managing Director, Whole- time Directors, Manager (As per provision of section 203 of the Companies Act 2013 KMP is not applicable on AEPC)

S. No.	Particulars of Remuneration	KMPa (in Rs.)	Total Amount (in Rs.)
1	Gross Salary (a) Salary as per provisions Contained in Section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of Salary under Section 17(3) Income-Tax Act, 1961	0 0 0	
2	Stock Option		0.00
3	Sweat Equity	0.00	0.00
4	Commission - as% of profit - others, specify....	0.00	0.00% --
5	Others, please specify	0.00	0.00
	Total (A)	0	0

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year under review neither any penalty imposed nor any order for punishment or compounding passed by any authority under the provisions of Companies Act against the Company, it's Director or its other officers.

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Sl. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	NIL
2.	Nature of contracts/arrangements/transaction	NIL
3.	Duration of the contracts/arrangements/transaction	NIL
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5.	Justification for entering into such contracts or arrangements or transactions'	NIL
6.	Date of approval by the Board	NIL
7.	Amount paid as advances, if any	NIL
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	NIL
2.	Nature of contracts/arrangements/transaction	NIL
3.	Duration of the contracts/arrangements/transaction	NIL
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5.	Date of approval by the Board	NIL
6.	Amount paid as advances, if any	NIL

Date : Goa
Place : 29/07/2017

By Order of Executive Committee
For Apparel Export Promotion Council

Ashok G Rajani
Chairman



Annexure-III

Annual report On CSR activities as per Rule 8(1) Of Corporate Social Responsibility Policy) Rules 2014

S. No	Particulars	Remarks												
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and project or programs.	Council is always endeavoring towards the Corporate Social Responsibility and welfare of the garment Industry. Weblink: www.aepcindia.com												
2	The Composition of the CSR Committee.	CSR subcommittee is having following members:- i) Sh. Ashok G Rajani, Chairman ii) Sh. Premal H Udani, Member iii) Sh. H K L Magu, Member iv) Sh. Virender Uppal, Member												
3	Average net profit of the Company for last three financial years.	<table border="1"> <thead> <tr> <th>Financial Year</th> <th>Net Profit</th> </tr> </thead> <tbody> <tr> <td>1. For F.Y 2013-14</td> <td>Rs. 3,80,32,289</td> </tr> <tr> <td>2. For F.Y 2014-15</td> <td>Rs. 15,36,08,098</td> </tr> <tr> <td>3. For F.Y 2015-16</td> <td>Rs. 22,96,43,170</td> </tr> <tr> <td>Total</td> <td>Rs. 42,12,83,557</td> </tr> <tr> <td colspan="2">Avg Net profit : Rs. 14,04,27,852</td> </tr> </tbody> </table>	Financial Year	Net Profit	1. For F.Y 2013-14	Rs. 3,80,32,289	2. For F.Y 2014-15	Rs. 15,36,08,098	3. For F.Y 2015-16	Rs. 22,96,43,170	Total	Rs. 42,12,83,557	Avg Net profit : Rs. 14,04,27,852	
Financial Year	Net Profit													
1. For F.Y 2013-14	Rs. 3,80,32,289													
2. For F.Y 2014-15	Rs. 15,36,08,098													
3. For F.Y 2015-16	Rs. 22,96,43,170													
Total	Rs. 42,12,83,557													
Avg Net profit : Rs. 14,04,27,852														
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	2% of Rs. 14,04,27,852 is Rs. 28,08,557												
5	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	Rs. 28,08,557 Nil												

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads :	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
1	Army Wife Welfare Foundation	N.A	-	Rs. 21,00,000	Rs. 21,00,000	-	Direct
2	Prime Minister National Relief Fund	N.A	-	Rs. 8,00,000	Rs. 8,00,000	Rs. 29,00,000	Direct

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.-Not Applicable
7. Implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Council.

Ashok G Rajani
(Chairman, AEPCC & CSR Committee)

Annexure-IV

**STATEMENT OF PARTICULARS OF EMPLOYEES FOR THE YEAR ENDED 31ST MARCH, 2017
(Pursuant to the provisions of section 197 (12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016)**

Name of the Employee	Designation of the Employee	Remuneration received (in Rs.)	Nature of Employment	Qualification	Age (years)	Total Experience (years)	Date of Joining	Last Employment held	Whether any such employee is relative of any director and if so name of such Director
Mr. Vijay Mathur	Additional Secretary General	53,13,056	Regular employee	B. Sc. MBA	61	39	05.12.88	Maharashtra State Textile Corporation Limited, Bombay	None
Mr. Sanjiv Malhotra	Deputy Secy. General	32,76,951	Regular employee	B. Com. ICS (Inter), PGDSM, PGDAM, DCOM	58	37	21.07.86	M/s. SNS Medical Leasing Ltd., ND	None
Mr. R. K. Sharma	Sr. Director	27,50,760	Regular employee	B. Tech., DBM	56	36	13.10.88	M/s. Vardhman Spinning & General Mills Ltd., Ludhiana	None
Mr. Rajeev Bhatnagar	Director	23,52,256	Regular employee	B.Com	59	37	23.09.80	-	None
Mr. G. P. Madhwal	Director	22,50,916	Regular employee	BA	60	38	29.10.79	-	None
Mr. Kundan Srivastava	General Manager	21,83,200	Contractual employee	B.Com, FCA	43	13	20.02.07	M/s. Elite Stock Management Ltd., Delhi	None
Mr. T.C. Balasubramanian	Dy. Chief Coordinator	20,89,776	Regular employee	B. Com, CA (Inter) Group I	60	36	01.03.84	The Salvation Army an internal Christian Social & Religious Organisation, Chennai.	None
Mr. R. Balaji	Director	19,77,006	Regular employee	M Com.	56	36	19.10.83	M/s R B M Poona Mills Ltd., Bangalore	None
Mrs. Chandrima Chatterjee	Advisor	19,63,200	Contractual employee	MA	44	20	18.03.16	Consultant - worked for NGOs, KPMG etc.	None
Mrs. Veena Merchant	General Manager	17,08,200	Contractual employee	MBA	47	24	18.08.15	M/s. Alkem laboratories Limited	None



S. P. PURI & CO.

CHARTERED ACCOUNTANTS

4/18, ASAF ALI ROAD, NEW DELHI – 110002

PH: 23274888, 23277410

FAX: 91 – 11 – 23272805

E-mail: office@sppuri.com

Website: www.sppuri.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APPAREL EXPORT PROMOTION COUNCIL

Report on the financial statements

We have audited the accompanying financial statements of APPAREL EXPORT PROMOTION COUNCIL (“the Council”) which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Income and Expenditure and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Council in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Council 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

We 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of

the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's/Council's preparation of the 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/Council's Executive Committee members, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our knowledge and according to the explanations given to us, the aforesaid financial statements give the information required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Council as at 31st March, 2017, and its income and expenditure and cash flows for the year ended on that date.

Emphasis of matter

We draw your attention to Note No. 19.1 (e) to the financial statements regarding letter from Ministry of Textiles for deposit of rent proceeds of Rs. 62,56,00,000 of certain rented premises of the Council and the management's assessment of the pending outcome. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

- i) 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 Council in terms of clause 1(2)(iii) of the Order.
- ii) 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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Council so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches of the Council not visited by us;
 - c) The Balance Sheet, the statement of Income and Expenditure, and the cash flow statement dealt with by this report are in agreement with the books of account and returns.;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014;
 - e) Late Mr. Pritam Goel who was an Executive Committee member as on 31st March, 2017 and due to his illness the Council could not obtain a declaration at the year end in terms of 164(2). In absence of this representation due to his illness and subsequent demise, we are unable to comment whether late Mr. Pritam Goel was disqualified from being appointed as an Executive Committee member



under section 164(2) of the Act as on 31st march, 2017. On the basis of written representations received from other Executive Committee members of the Council as on 31st March, 2017 taken on record by the Executive Committee of the Council, none of the remaining Executive Committee members of the Council is disqualified as on 31st March, 2017 from being appointed as Executive Committee member in terms of Section 164(2), of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A"; and
- g) 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 Council has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 19 of the financial statements.
 - ii. The Council did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Council.
 - iv. The Council has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016. However, as stated in Note 36 to the financial statements, as represented to us by the management, specified bank notes of Rs.18,000 of Council's employees was deposited in Council's bank along with Council's notes, which is not a permitted transaction. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Council and as produced to us by the management.

For S. P. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. : 001152N

PLACE : GOA
DATED : 29th July, 2017

(VIDUR PURI)
PARTNER
MEMBERSHIP No. 90163

Annexure “A” to the Independent Auditor’s Report

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 **APPAREL EXPORT PROMOTION COUNCIL** (“the Council”) as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Council for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Council’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Council 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. 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 Council’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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Council’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 Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 judgment, 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 Council’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Council’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 Council'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 Council; (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 Council are being made only in accordance with authorizations of management and directors of the Council; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Council'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, the Council 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 31st March 2017, based on the internal control over financial reporting criteria established by the Council 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. PURI & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. : 001152N

PLACE : GOA
DATED: 29th July, 2017

(VIDUR PURI)
PARTNER
MEMBERSHIP No. 90163

APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)
BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note No.	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
EQUITY AND LIABILITIES			
Reserves and surplus	2	1,595,140,523	1,482,629,859
Sub-Total		1,595,140,523	1,482,629,859
Non-current liabilities			
Other Long term liabilities	3	43,075,635	138,031,802
Long-term provisions	4	50,463,815	40,403,982
Sub-Total		93,539,450	178,435,784
Current liabilities			
Trade payables	5		
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises"		44,141,273	43,405,229
Other current liabilities	6	337,307,667	723,979,404
Short-term provisions	4	27,012,218	58,823,949
Sub-Total		408,461,158	826,208,582
Total		2,097,141,131	2,487,274,225
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	7	547,656,100	591,615,907
Intangible assets	7	1,347,632	1,887,367
Capital work-in-progress	7	-	-
Long-term loans and advances	8	287,451,252	341,120,101
Other non-current assets	9	39,862,576	37,105,116
Sub-Total		876,317,560	971,728,491
Current assets			
Trade receivables	10	9,514,724	7,166,083
Cash and bank balances	11	1,006,869,892	1,349,144,825
Short-term loans and advances	8	20,627,728	46,120,270
Other current assets	9	183,811,227	113,114,556
Sub-Total		1,220,823,571	1,515,545,734
Total		2,097,141,131	2,487,274,225

Significant accounting policies and notes -1, 19 to 37

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. P. Puri & Co
Chartered Accountants
FRN 001152N

For and on behalf of the Executive Committee

Ashok G Rajani
Chairman

Narendra Goenka
Chairman (F&B)

Vidur Puri
Partner
Membership No : 90163

Sanjiv Malhotra
DSG & Secretary

Kundan Srivastava
General Manager-Finance

Place : Goa
Dated : 29-07-2017



**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note No.	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
Income			
Income from operations	12	325,886,206	309,257,992
Other income	13	353,745,130	450,456,273
Total Income		679,631,336	759,714,265
Expenses			
Employee benefits expense	14	147,471,863	129,998,506
Finance costs	15	132,633	11,617,752
Depreciation and amortization expense	16	34,846,399	42,623,125
Other expenses	17	375,765,834	345,831,712
Total Expenses		558,216,729	530,071,095
Surplus before tax		121,414,607	229,643,170
Tax expense		-	-
Surplus for the year		121,414,607	229,643,170

Significant accounting policies and notes -1, 19 to 37

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. P. Puri & Co
Chartered Accountants
FRN 001152N

For and on behalf of the Executive Committee

Ashok G Rajani
Chairman

Narendra Goenka
Chairman (F&B)

Vidur Puri
Partner
Membership no : 90163

Sanjiv Malhotra
DSG & Secretary

Kundan Srivastava
General Manager-Finance

Place : Goa

Dated : 29-07-2017

APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
A Cash Flow From Operating Activities :		
Surplus Of Income Over Expenditure Before Tax	121,414,607	229,643,170
Adjustment For :		
Depreciation/Amortisation	34,846,399	42,623,125
(Profit)/Loss On Sale Of Fixed Assets	(602,344)	-
Provision For Service Tax & Others	1,926,391	9,477,741
Sundry Credit Balance Written Back	(12,342,314)	(62,361)
Provision no Longer Required Written Back	(36,267,752)	(84,027,756)
Interest Income	(93,873,299)	(113,973,335)
Operating Income Before Working Capital Changes	15,101,688	83,680,584
(Increase)/Decrease In Trade Receivables	(2,348,641)	(2,761,036)
(Increase)/Decrease In Loans & Advances and Other Assets	(47,659,725)	6,151,311
Increase/(Decrease) In Trade Payables and other Liabilities	(455,960,083)	(3,780,261)
Cash Generated/(Used) From Operations	(490,866,761)	83,290,598
Income Tax (Paid)/Received (Net Of Income Tax Refund)	53,366,985	(27,835,558)
Net Cash From Operating Activities (A)	(437,499,776)	55,455,040
B. Cash Flows From Investing Activities		
Purchase Of Fixed Assets (Including CWIP)	(537,658)	(2,116,302)
Proceeds From Sale Of Fixed Assets	672,202	-
Interest Received	110,399,152	113,973,335
Redemption/Maturity Of Bank Deposits	341,754,147	(137,788,380)
Net Cash (Used) / Raised From Investing Activities (B)	452,287,843	(25,931,347)
C. Cash Flow From Financing Activities		
Entrance Fee Received	1,217,000	1,186,000
Net Cash Used In Financing Activities (C)	1,217,000	1,186,000
Net Increase In Cash & Cash Equivalents (A+B+C)	16,005,067	30,709,693
Cash & Cash Equivalents As At 31.03.2016 (Refer Note 11 for components of Cash & Cash Equivalents)	69,024,825	38,315,132
Cash & Cash Equivalents As At 31.03.2017 (Refer Note 11 for components of Cash & Cash Equivalents)	85,029,892	69,024,825

NOTES TO THE CASH FLOW STATEMENT :

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement"
- Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

As per our report of even date

For S. P. Puri & Co
Chartered Accountants
FRN 001152N

For and on behalf of the Executive Committee

Ashok G Rajani
Chairman

Narendra Goenka
Chairman (F&B)

Vidur Puri
Partner
Membership no : 90163

Sanjiv Malhotra
DSG & Secretary

Kundan Srivastava
General Manager-Finance

Place : Goa
Dated :29-07-2017



**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Particulars	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 2 Reserves & Surplus		
Capital Fund		
Balance at the beginning and at the end of the year	4,200,000	4,200,000
Building Reserve Fund*		
Balance as per the last financial statements	329,700,000	329,700,000
Add: Transferred from building Fund during the year	-	-
Sub-Total - Balance at the end of the year	329,700,000	329,700,000
Capital Asset Fund-Govt Grant		
a) Non Depreciable Assets		
Balance as per the last financial statements	129,593,582	129,593,582
Sub-Total - Balance at the end of the year	129,593,582	129,593,582
b) Depreciable Assets		
Balance as per the last financial statements	119,288,978	132,478,561
Add: Transferred/Adjusted during the year	-	4,384
Less: Depreciation provided during the year	10,120,943	13,193,967
Sub-Total - Balance at the end of the year	109,168,035	119,288,978
Entrance Fees		
Balance as per the last financial statements	68,929,510	67,743,510
Add: Received during the year	1,217,000	1,186,000
Sub-Total - Balance at the end of the year	70,146,510	68,929,510
Building Repairs Replacement Fund		
Balance as per the last financial statements	40,000,000	30,000,000
Add: Transferred from I&E statement during the year	10,000,000	10,000,000
Sub-Total - Balance at the end of the year	50,000,000	40,000,000
Capital Assets Fund		
Balance as per the last financial statements	162,000,000	55,000,000
Add: Transferred from I&E statement during the year	2,800,000	107,000,000
Sub-Total - Balance at the end of the year	164,800,000	162,000,000
Surplus in the statement of Income & Expenditure		
Balance as per the last financial statements	628,917,789	516,274,619
Add: Surplus for the year	121,414,607	229,643,170
Less: Transferred to building repairs fund	10,000,000	10,000,000
Less: Transferred to capital assets fund	2,800,000	107,000,000
Add: Previous Year Adjustment	-	-
Net Surplus in the statement of Income & Expenditure	737,532,396	628,917,789
Total reserves and surplus	1,595,140,523	1,482,629,859

*Building Reserve Fund consist of Funds accumulated from Surplus and Appropriation as per Income Tax Act utilised for construction of buildings and Capital Asset Fund represents unutilized accumulated amount.

**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Particulars	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 3 Other long term liabilities		
Security deposit -Office Premises	21,342,714	24,320,982
Security deposits- Show Rooms	17,832,232	110,178,631
OTS Premium payable	216,445	216,445
Advance Received for Subscription	3,684,244	3,315,744
Total	43,075,635	138,031,802

Notes to financial statements for the year ended 31st March, 2017

Particulars	Long-term		Short-term	
	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 4 Provisions				
Provision for employee benefits				
Ex-Gratia	-	-	9,444,854	8,143,216
Medical Leave Encashment	8,317,170	7,682,180	1,633,803	124,267
Earned Leave Encashment	31,453,709	25,907,321	5,342,641	441,734
Gratuity	10,692,936	6,814,481	6,065,201	1,433,579
Bonus	-	-	143,646	500,078
Sub-Total	50,463,815	40,403,982	22,630,145	10,642,874
Other provisions				
Provision for Service Tax	-	-	2,059,024	36,267,752
Provision for DISHA Facilitators	-	-	-	9,483,614
Provision for Assessing Activities	-	-	2,323,049	2,429,709
Sub-Total	-	-	4,382,073	48,181,075
Total	50,463,815	40,403,982	27,012,218	58,823,949



**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Particulars	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 5 Trade payable		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	44,141,273	43,405,229
Total	44,141,273	43,405,229

Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	31st March, 2017	31st March, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and the amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprises Development Act, 2006	-	-

The list of undertaking covered under “Micro Small & Medium Enterprises Development Act, 2006” was determined by council on the basis of information available with the council.

**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Particulars	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 6 Other current liabilities		
Security deposits	3,751,464	3,070,028
Security deposit -Office Premises	3,076,872	5,237,118
Security deposit -Showrooms	90,654,179	-
Penalties & EMD Forfeited	10,517,815	12,836,671
Taxes payable **	5,186,590	5,060,329
Other payables*	17,789,421	12,850,483
Advance Received for EP Activities	8,116,513	11,445,691
Advance Received for Subscription	21,834,596	17,600,596
Advance Received for Council Charges	9,113,025	7,895,553
Advance Received for Assessing Activities	9,924,957	8,229,580
Earnest Money Deposits	2,024,043	485,422,944
AEPC- Showroom Security Deposit Refundable	805,723	763,010
Unutilised Grant received from govt	6,236,085	4,622,271
EMD PDC Forfeited-Dishonoured	136,283,008	136,583,008
MDA Fund for Exporter - Unutilised	10,776,858	10,805,628
Due to Executive Committee members	1,216,518	1,556,494
Total	337,307,667	723,979,404

*Other payables includes, payment due to employees, contribution to PF, etc.

**Taxes payable includes withholding tax, service tax etc.

**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**
Notes to financial statements for the year ended 31st March, 2017

Note - 7 Fixed Asset.

A. TANGIBLE ASSETS

Figures in Rupees

Particulars	Land#	Office Premises*	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
Original Cost-Gross Block										
At 1st April 2015	64,750,534	524,297,889	71,552,490	31,411,629	33,297,883	44,934,029	17,914,491	15,141,661	2,042,231	805,342,837
Additions	-	120,000	-	654,858	-	-	-	1,341,444	-	2,116,302
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	64,750,534	524,417,889	71,552,490	32,066,487	33,297,883	44,934,029	17,914,491	16,483,105	2,042,231	807,459,139
Additions	-	-	-	198,568	5,750	-	-	333,340	-	537,658
Disposal/Adjustment	-	-	-	50,000	-	-	4,050,495	-	-	4,100,495
At 31st March 2017	64,750,534	524,417,889	71,552,490	32,215,055	33,303,633	44,934,029	13,863,996	16,816,445	2,042,231	803,896,302
Depreciation										
At 1st April 2015	-	266,837,477	39,074,735	27,351,024	26,854,220	33,641,004	9,546,505	14,188,007	1,867,606	41,936,0578
Charge for the year	-	19,337,533	8,527,012	2,423,621	2,523,630	4,737,465	3,795,652	848,306	125,643	42,318,862
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	286,175,010	47,601,747	29,774,645	29,377,850	38,378,469	13,342,157	15,036,313	1,993,249	461,679,440
Charge for the year	-	19,335,947	6,287,544	1,198,511	1,526,393	2,718,956	2,040,252	1,173,699	2,5362	34,306,664
Deduction/Adjustment	-	-	-	-	-	-	3,981,138	-	-	4,030,637
At 31st March 2017	-	305,510,957	53,889,291	30,923,656	30,904,243	41,097,425	11,401,271	16,210,012	2,018,611	491,955,467
Net Block										
At 31st March 2016	64,750,534	238,242,879	23,950,743	2,291,842	3,920,033	6,555,560	4,572,334	1,446,792	48,982	345,779,699
At 31st March 2017	64,750,534	218,906,932	17,663,199	1,291,399	2,399,390	3,836,604	2,462,725	606,433	23,620	311,940,835

* Includes part of the building given on operating lease whose cost depreciation for the year & WDV at the end of the year is not segregated

Includes leasehold land of Rs.1,12,40,778/-

APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)

Notes to financial statements for the year ended 31st March, 2017

Note - 7 Contd...

B. INTANGIBLE ASSETS		
Particulars	Computer Software	Total
	(₹)	(₹)
Original Cost-Gross Block		
At 1st April 2015	3,713,789	3,713,789
Additions	-	-
Disposal/Adjustment	-	-
At 31st March 2016	3,713,789	3,713,789
Additions	-	-
Disposal/Adjustment	-	-
At 31st March 2017	3,713,789	3,713,789
Amortisation		
At 1st April 2015	1,522,161	1,522,161
Charge for the year	304,261	304,261
Deduction/Adjustment	-	-
At 31st March 2016	1,826,422	1,826,422
Charge for the year	539,735	539,735
Deduction/Adjustment	-	-
At 31st March 2017	2,366,157	2,366,157
Net Block		
At 31st March 2016	1,887,367	1,887,367
At 31st March 2017	1,347,632	1,347,632

APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)
Notes to financial statements for the year ended 31st March, 2017

Note - 7 Contd...

Assets Purchased Against Grant Received from Government

(a) ASSETS GIVEN ON LEASE

Figures in Rupees

Particulars	Land	Office Premises	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
Original Cost-Gross Block										
At 1st April 2015	-	36,589,493	48,545,234	4,145,007	2,153,727	16,446,229	-	14,595,141	2,555,152	125,029,983
Additions	-	-	-	272	4,112	-	-	-	-	4,384
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	36,589,493	48,545,234	4,145,279	2,157,839	16,446,229	-	14,595,141	2,555,152	125,034,367
Additions	-	-	-	-	-	-	-	-	-	-
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2017	-	36,589,493	48,545,234	4,145,279	2,157,839	16,446,229	-	14,595,141	2,555,152	125,034,367
Depreciation										
At 1st April 2015	-	28,343,565	46,386,123	4,104,100	2,144,716	15,974,324	-	14,449,190	2,529,600	113,931,617
Charge for the year	-	538,618	539,464	-	2,753	232,277	-	-	-	1,313,112
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	28,882,183	46,925,587	4,104,100	2,147,469	16,206,601	-	14,449,190	2,529,600	115,244,729
Charge for the year	-	503,414	400,213	-	-	75,165	-	-	-	978,792
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2017	-	29,385,597	47,325,800	4,104,100	2,147,469	16,281,766	-	14,449,190	2,529,600	116,223,521
Net Block										
At 31st March 2016	-	7,707,310	1,619,647	41,179	10,371	239,628	-	145,951	25,552	9,789,638
At 31st March 2017	-	7,203,896	1,219,434	41,179	10,371	164,463	-	145,951	25,552	8,810,846

APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)
Notes to financial statements for the year ended 31st March, 2017

Note - 7 Contd...

Assets Purchased Against Grant Received from Government

(b) OTHER FIXED ASSETS

Figures in Rupees

Particulars	Land	Office Premises*	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
Original Cost-Gross Block										
At 1st April 2015	129,593,582	266,051,598	82,524,257	47,330,276	74,616,810	30,612,081	-	64,013,507	-	694,742,111
Additions	-	-	-	-	-	-	-	-	-	-
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	129,593,582	266,051,598	82,524,257	47,330,276	74,616,810	30,612,081	-	64,013,507	-	694,742,111
Additions	-	-	-	-	-	-	-	-	-	-
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2017	129,593,582	266,051,598	82,524,257	47,330,276	74,616,810	30,612,081	-	64,013,507	-	694,742,111
Depreciation										
At 1st April 2015	-	159,712,850	76,754,771	46,856,973	71,160,687	28,347,924	-	63,981,479	-	446,814,684
Charge for the year	-	7,288,910	1,300,951	-	1,855,734	1,435,262	-	-	-	11,880,857
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	167,001,760	78,055,722	46,856,973	73,016,421	29,783,186	-	63,981,479	-	458,695,541
Charge for the year	-	6,789,259	975,430	-	854,687	522,775	-	-	-	9,142,151
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2017	-	173,791,019	79,031,152	46,856,973	73,871,108	30,305,961	-	63,981,479	-	467,837,692
Net Block										
At 31st March 2016	129,593,582	99,049,838	4,468,535	473,303	1,600,389	828,895	-	32,028	-	236,046,570
At 31st March 2017	129,593,582	92,260,579	3,493,105	473,303	745,702	306,120	-	32,028	-	226,904,419
Grand Total - Depreciation										
For Year ending 31st March 2016	-	27,165,061	10,367,427	2,423,621	4,382,117	6,405,004	3,795,652	848,306	125,643	55,512,831
For Year ending 31st March 2017	-	26,628,620	7,663,187	1,198,511	2,381,080	3,316,896	2,040,252	1,173,699	25,362	44,427,607
* Includes part of the building given on operating lease whose cost depreciation for the year & WDV at the end of the year is not segregated										
Grand Total - Net block										
At 31st March 2016	194,344,116	345,000,027	30,038,925	2,806,324	5,530,793	7,624,083	4,572,334	1,624,771	74,534	591,615,907
At 31st March 2017	194,344,116	318,371,407	22,375,738	1,805,881	3,155,463	4,307,187	2,462,725	784,412	49,172	547,656,100



**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Particulars	Non-Current		Current	
	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 8 Loans and advances (Unsecured, considered good unless otherwise stated)				
Security Deposits	2,915,043	2,916,907	-	-
Sub-Total	2,915,043	2,916,907	-	-
Loans and advances to related parties (Refer Note 35)	-	-	4,113,124	3,929,043
Sub-Total	-	-	4,113,124	3,929,043
Other loans and advances				
Advance recoverable in cash or kind				
a) Considered Good	-	-	11,394,315	34,243,891
b) Considered Doubtful	1,966,339	1,966,339	-	-
Less: Provision for Doubtful	(1,966,339)	(1,966,339)	-	-
Earnest Money Deposit -FDR	-	-	119,200	3,485,558
Earnest Money Deposit PDC-Recoverable				
a) Considered Good	-	-	-	-
b) Considered Doubtful	136,283,008	136,583,008	-	-
Prepaid expenses	-	-	3,727,840	4,461,778
Balance with Service tax authorities	-	-	1,273,249	-
Advance income tax	148,253,201	201,620,186	-	-
Sub-Total	284,536,209	338,203,194	16,514,604	42,191,227
Total	287,451,252	341,120,101	20,627,728	46,120,270

Notes to financial statements for the year ended 31st March, 2017

Particulars	Non-Current		Current	
	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 9 Other assets (Unsecured, considered good unless otherwise stated)				
Other Recievable	624,912	616,949	44,257,925	45,646,998
Interest accrued on bank fixed deposits	-	-	6,392,431	22,918,284
Grant receivable	-	-	127,257,678	37,923,749
AEPC- Showroom Maintenance charges recievable	-	-	5,903,193	6,625,525
Deposit with LIC	39,237,664	36,488,167	-	-
Total	39,862,576	37,105,116	183,811,227	113,114,556
Other receivables include				
Dues from Society in which the company's Executive committee members are office bearers	-	-	565,800	36,819
Total	-	-	565,800	36,819

**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Particulars	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 10 Trade receivables		
(Unsecured, considered good)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	1,057,401	545,350
Receivables outstanding - Others	8,457,323	6,620,733
Total	9,514,724	7,166,083

Notes to financial statements for the year ended 31st March, 2017

Particulars	Non-Current		Current	
	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2017 (₹)	AS AT 31st March, 2016 (₹)
Note 11 Cash and bank balances				
Cash and cash equivalents				
Balances with banks:				
a) Current Accounts	-	-	-	-
b) Saving Accounts				
(i) General	-	-	68,535,449	43,880,614
(ii) Export Promotion Fund	-	-	3,045,697	11,860,219
(iii) Other Savings*	-	-	13,448,746	13,253,612
Cash on hand	-	-	-	30,380
Sub Total	-	-	85,029,892	69,024,825
Other bank balances				
On Council's Deposits				
Fixed deposits with original maturity for more than 3 months and less than 12 months	-	-	921,840,000	1,280,120,000
Fixed deposits with original maturity for more than 12 months	-	-	-	-
Sub Total	-	-	921,840,000	1,280,120,000
Total	-	-	1,006,869,892	1,349,144,825

*Others saving includes FDI ,MDA ,MAI ,Escrow,RDLWF account ,earmarked specifically for usage as per government directions.



**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Particulars	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
Note 12 Income from operations		
Membership Subscription	62,371,549	60,022,987
Council Fees	96,216,142	68,921,603
Other Income (Refer note 18)	167,298,515	180,313,402
Total	325,886,206	309,257,992

Notes to financial statements for the year ended 31st March, 2017

Particulars	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
Note 13 Other income		
Interest income		
- Bank	78,326,233	112,359,674
- Others - from tax refund	15,547,066	1,613,661
Profit on sale of fixed Assets	602,344	-
Rent	111,982,235	113,414,339
Participation Forfeiture (Refer Note 18)	552,550	1,435,995
Assessing Centre	5,751,281	17,176,705
Revenue Grant from Government for export expenses (Refer Note 18)	85,771,000	106,850,111
Sundry credit balances no longer required written back	12,342,314	62,361
Other non-operating income including miscellaneous income	6,602,355	13,515,671
Provision no longer required written back	36,267,752	84,027,756
Total	353,745,130	450,456,273

Notes to financial statements for the year ended 31st March, 2017

Particulars	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
Note 14 Employee benefits expense		
Salaries, Wages and Allowances	123,797,859	112,877,332
Contribution to Provident and Other Funds	18,763,839	13,498,347
Employees Welfare Expenses	4,910,165	3,622,827
Total	147,471,863	129,998,506

APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)

Notes to financial statements for the year ended 31st March, 2017

Particulars	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
Note 15 Finance costs		
Bank and Other Finance Charges	-	938,202
Interest On Service Tax Liability	132,633	10,679,550
Total	132,633	11,617,752

Notes to financial statements for the year ended 31st March, 2017

Particulars	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
Note 16 Depreciation and amortization expense		
Depreciation of tangible assets	44,427,607	55,512,831
Amortization of intangible assets	539,735	304,261
	44,967,342	55,817,092
Less : Transferred to Capital Assets Fund	10,120,943	13,193,967
Total	34,846,399	42,623,125

Notes to financial statements for the year ended 31st March, 2017

Particulars	Year Ended 31st March, 2017 (₹)	Year Ended 31st March, 2016 (₹)
Note 17 Other expenses		
Export promotion expenses (Refer Note 18)	278,001,219	254,880,102
Power and Fuel	13,209,767	13,071,466
Rent	286,164	260,625
Rates and taxes	3,270,550	3,765,792
Insurance	1,109,403	824,278
Meeting Expenses	16,498,358	11,909,821
Repair and maintenance - Buildings	3,730,894	1,817,028
Repair and maintenance - Plant & Machinery	4,990,407	4,050,063
Repair and maintenance - Others	10,035,782	8,379,554
Travelling, Conveyance and Vehicle expenses	6,568,061	6,248,144
Communication & Postage Expenses	3,012,384	3,031,384
Printing & Stationery Expenses	2,019,388	2,042,499
Legal & Professional Fees	12,723,095	10,214,879
Security Charges	6,518,985	5,219,141
Business Promotion	1,763,501	2,445,093
Courier & Forwarding Expenses	1,028,524	752,318



Particulars	Year Ended	Year Ended
	31st March, 2017	31st March, 2016
	(₹)	(₹)
Note 17 in Contd...		
Advertising & Publicity	3,073,440	595,712
Auditors remuneration (Refer Note 26)	651,490	944,143
Prior period expenses (Refer Note 28)	273,790	1,392,393
Miscellaneous Expenses	1,270,506	230,176
Assessing Centre - MES Scheme	903,735	2,179,360
Provision for Service Tax	1,926,391	9,477,741
Contribution for CSR Expenditure	2,900,000	2,100,000
Total	375,765,834	345,831,712

Notes to financial statements for the year ended 31st March, 2017

Particulars	Year Ended	Year Ended
	31st March, 2017	31st March, 2016
	(₹)	(₹)
Note 18 Export promotion expenses		
Overseas Expenses		
Foreign Exhibition Expenses	93,954,578	111,165,398
Foreign Delegation Expenses	6,406,622	8,199,872
Domestic Fairs		
Trade Fairs	7,100,000	3,002,805
Tex Trends Fair/ IIGF Fair	118,326,856	113,705,845
Source Zone Fair	-	17,273
Apparel Education & Training	1,200,000	5,830,796
Seminar & Workshop	6,512,950	783,271
Other Export Promotion Expenses		
Magazine & Publicity Material	6,108,000	1,568,006
Disha Common Compliance Code		2,609,794
Interest on Unutilised MAI Grant	10,364,984	
Economic & Consultancy Activities	-	9,163
Export Award Function	3,653,352	
Duty Draw Back	2,123,021	2,217,900
Contribution to CII for Joint Study	-	5,025,000
Refund of Previously Utilized Grant	20,658,122	-
Other	1,592,734	744,979
TOTAL(1)	278,001,219	254,880,102
Less: Contribution Received		
Foreign Exhibition	71,406,000	80,565,000
Domestic Fairs :		
Tex Trends Fair/ IIGF Fair	95,892,515	98,101,493
Magazine & Publicity Material	-	4,290
Disha	-	1,275,656
Other	-	366,963
	167,298,515	180,313,402
Participation Forfeiture	552,550	1,435,995
Revenue Grant from Government : (Refer note No. 24)		
For Overseas Events	20,319,000	40,500,746
For Domestic Events	65,452,000	66,349,365
TOTAL (2)	253,622,065	288,599,508
TOTAL(1-2)	24,379,154	(33,719,406)

**APPAREL EXPORT PROMOTION COUNCIL
(LIMITED BY GUARANTEE)**

Notes to financial statements for the year ended 31st March, 2017

Note No. 1

(A) COMPANY OVERVIEW:

Apparel Export Promotion Council (“the Company/ Council”) is formed for promoting exports of readymade garments from India. It was registered under section 25 of Companies Act.1956 and now existing under section 8 of the Company Act 2013, limited by guarantee.

(B) SIGNIFICANT ACCOUNTING POLICIES :

1.1 Method of Accounting: The financial statements of the company have been prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respect with the notified accounting standards under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied by the company and are consistent with those used in the previous years.

1.2 Use of Estimates : The preparation of the financial statements requires the management to make judgment, estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Although these estimates are based upon events to the best knowledge of the management of current actions, actual results could differ from these estimates.

1.3 Fixed Assets:

a) Fixed Assets are capitalized at cost inclusive of all expenses incurred in bringing the asset to its

working condition for its intended use.

b) Fixed Assets are shown at historical cost less accumulated depreciation/amortization and impairment loss, if any.

c) Intangible Assets comprise of computer software.

1.4 Depreciation & Amortization:

A. Tangible Assets:

a) Method of depreciation: -Reducing balance method of depreciation as per useful life prescribed in schedule II to the Companies Act, 2013 has been followed for the preparation and presentation of financial statements. Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost comprises of the purchase price, incidental expenses, erection/commissioning expenses and financial charges up to the date the fixed asset is ready for its intended use.

Assets costing less than Rs. 5000 each are fully depreciated in the year of capitalization.

b) Rates of depreciation: - Depreciation on fixed assets has been provided on the basis of life prescribed under schedule II of Companies Act. 2013, except library books at the life of five years.

c) Residual Value: The residual value of the assets after its useful life is kept at 1% of the purchase value. The residual value of assets which already exhausted its useful life as at 31st March, 2014 and which is carrying in the books at Rs. 1/- is carried at Rs. 1/- only.

d) Fixed asset sold/discarded/ transferred during the financial year: Pro-rata depreciation has been provided on fixed asset sold/discarded/ transferred during the financial year.



- e) Depreciation of Fixed Assets acquired out of Capital Grants is debited to the Capital Assets Fund.
- f) Fixed Assets are reviewed for impairment on Balance Sheet date as per Accounting Standard-28 on Impairment of Assets.

B. Intangible Assets:

- a) Intangible Assets is stated at cost less accumulated amortization and accumulated impairment loss if any.
- b) Computer Software is amortized over a period of five years.
- c) An amortization expense is charged on a pro-rata basis for assets purchased during the year. The appropriateness of the amortization period and the amortization method is reviewed at each financial year end.

1.5 Investments:

Long Term Investments are stated at cost. The cost of Investment includes acquisition charges and premium on acquisition of securities. The premium on purchases of long term debt securities/bonds intended to be held up to maturity is amortized over the balance period up to date of maturity.

1.6 Revenue Recognition:

- a) Income from operations including annual subscription received from members and revenue of the Council has been recognized to the extent that it is probable that economic benefits will flow to the Council and the revenue can be reliably measured.
- b) Assessment Income: For Skill Assessments under Skill Development Initiative (SDI) Scheme of Director General of Employment and Training (DGET).
 - Modular Employable Skill (MES): Revenue is recognized on the basis of number of

candidates assessed and the corresponding completion of pre-conditions of DGET (Director General of Employment and Training) and RDAT (Regional Directorate of Apprenticeship and Training).

- Non Modular Employable Skill (Non-MES): Revenue is recognized on the basis of number of candidates assessed.

- c) Interest on staff loans is recognized in the financial year it becomes due or is realized.
- d) Entrance fees received from new members/ applicants registered during the financial year is directly credited to Reserve.
- e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- f) Revenue from lease rentals is recognized in accordance with the terms of lease agreements entered with respective lessees.

1.7 Retirement & other Employee Benefits:

- a) Contribution to defined contribution Plan such as Employees provident fund scheme etc., are charged to the Income and Expenditure Account as incurred. The contributions are made to a Government Administered Provident Fund towards which the Council has no further obligations beyond its monthly contributions.
- b) The Council also provides for Retirement/Post-Retirements benefits in the form of Gratuity and Leave Encashment. Such benefits are provided for based on valuations, as at the Balance Sheet Date made by independent actuary. Terminations benefits are recognized as expenses as and when incurred.

1.8 Grants

- a) Grants in the nature of revenue with specific conditions for utilization is recognized as income, to the extent actually spent during the financial

year and amount not utilized is carried as current liability. Expenses incurred against sanctioned grants eligible as per prevailing Government policy; with reasonable certainty to be released, are shown as recoverable, where grants are yet to be disbursed.

- b) Excess or Short receipt of Grant against recoverable amount is recognized in the Income & Expenditure account in the year of its actual receipt.
- c) Grants in the nature of capital are transferred to Capital Assets Fund to the extent of amount actually utilized and amount not utilized is carried as current liability.

1.9 Foreign Exchange Transactions:

- a) Foreign currency transactions are recorded using the exchange rates prevailing on the date of transaction.
- b) Monetary assets and liability denominated in foreign currencies at the year-end are translated at the rates prevailing at the year end.

1.10 Taxation:

- a) Tax expense for the year, comprising current tax and deferred tax is included in determining the net surplus/ (deficit) for the year.
- b) Deferred tax is recognized for all deductible timing differences, deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date.
- c) Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonable /virtually

certain to be realized.

1.11 Provisions and Contingencies:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not disclosed to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

1.12 Lease Rent:

Where the Company is the lessee.

Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the lessor.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Cost, including depreciation are recognized as an expenses in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the Statement of Profit and Loss.



1.13 Cash and Cash Equivalents:

Cash and cash equivalents for the purposes of cash flow statements comprise cash at bank and in hand and short-term investment with an original maturity of three month or less.

Note No. 19

Contingent liabilities :

19.1 Claims against Council not acknowledged as debts;

- a) Rs.1,42,00,000/- (Previous Year Rs. 1,42,00,000/-) in respect of disputed escalation claims from various contractors of Apparel House Building, but not accepted by the Council.
- b) The Council is registered u/s 12A of the Income Tax Act and has been claiming to be taxable U/s. 11 of Income Tax Act as a charitable entity.

Though the Income Tax department did not accept the contention for the Assessment Year 2009-10, 2010-11 & 2011-12. CIT (A), ITAT and Delhi High Court, decided the matter in favour of the Council for Assessment Year 2009-10 & 2010-11. Considering the favorable order of High Court for above Assessment Years and the Assessing Officer accepting the Council's return for Assessment Year 2012-13 & Assessment Year 2013-14 u/s.11 of the Income Tax Act, similar decision is expected for Assessment Year 2011-12 for which Income Tax department's appeal for tax demand of Rs. 92,60,900/- is pending in ITAT.

- c) Council's Service Tax assessment for period 16.06.2005 to 06.07.2009 was completed with a demand of Rs. 3,78,08,115/- along with proposed interest and a penalty of Rs. 3,78,08,115/- . The CESTAT, Delhi has allowed Council's appeals and set aside the impugned order passed by the Commissioner. The Department has moved an application to Hon'ble Supreme Court. The Council has filed the Counter affidavit etc., the matter is yet to be listed for hearing. Based on CESTAT decision in favour of the Council, no provision is considered necessary.

- d) In respect of compensation demanded against showroom license fee, agency commission and work contract which is pending in various courts for which the contingent liability is estimated at Rs. 22,00,441/-.
- e) The Ministry of Textiles vide its letter no. 8/4/2015-EP dated 09 October 2015 read with letter No. 13/04/2015-EP dated 25 August 2015, communicated to the Council to deposit in the Consolidated Fund of India rent proceeds of Rs. 62,56,00,000/- for the period from the year 2006-2007 till 31.03.2015 earned from certain rented premises of Council. The Council represented and has replied to the matter clarifying that renting of premises is a bonafide activity of the Council and further, rent of Rs. 43,19,00,000 was earned from premises acquired with no Government Grant, and rent of Rs.19,37,00,000 was from bonafide activities as per its objects and Articles of Association and in line with original terms of usage of the premises.

Based on management's representation with Ministry of Textiles and legal advice, no provision is considered necessary.

- f) The Council during the year 2015-16 had demanded recovery of excess salary paid to its ex-secretary general. The excess amount of Rs. 83,06,488/- was determined based on Department of Personal & Training (DoPT) confirmation through letter dated 20.01.2016.

The matter has been referred by the Ministry of Textiles (MoT) to Department of Personal & Training (DoPT) for reconsideration of their advice fixing the remuneration.

Till such time this is concluded, the amount of Rs. 83,06,488/- is shown as recoverable & not provided for. Further since the matter was pending disposal, no liability has been provided for any additional remuneration.

19.2 Indian Audit and Accounts Department (IAAD) of Comptroller and Auditor General of India (CAG)

had conducted audit u/s 14 of the DPC Act 1971 for the years 2003-04 to 2011-12 and then subsequently for 2012-13. Further, the office of the Chief Controller of Accounts (CCA), Ministry of Textiles also carried out an internal audit for the year 2003-04 to 2014-15 covering all aspects of functioning special emphasis on the Government Grants. The IAAD and CCA, in various audit memos had raised issues with regards to non-compliance of certain guidelines, tendering process and other observations which have been responded by the Council.

The IAAD and CCA have given their comments in response to Council's reply with some of the observation that the Council's response will be verified in their next audit. The Council has proposed to carry out some of the recommendation including deposit of funds to the extent accepted by the Council.

Note No. 20

Other Commitments :

The Council in view of pending litigation, has not accounted a sum of Rs. 6,47,91,813/- excluding RLA cases (Previous Year Rs.7,10,51,709/- excluding RLA cases) pending based on data as on 31.03.2017, on account of claims lodged for forfeiture on account of Bank Guarantees/ Legal Undertakings and Post Dated Cheques.

The details of cases and amount involved at different levels as compiled and certified by the Management are as under:-

Level	No. of Cases	Recoverable Amount	No. of Cases	Recoverable Amount
	Current Year	Current Year	Previous Year	Previous Year
	as on 31.03.17	as on 31.03.17	as on 31.03.16	as on 31.03.16
	Nos.	₹	Nos.	₹
Bank	21	62,29,982	22	62,71,832
TXC	2	65,35,536	2	65,35,536
Ministry	5	13,37,055	4	14,32,340

Court	136	5,06,89,240	144	5,68,12,001
Total	164	6,47,91,813	172	7,10,51,709

Apart from the above cases, there are 1912 numbers of cases where forfeiture amount of Rs.72,03,77,308/-(approx.) previous year 1938 numbers of cases Rs. 72,45,81,821/-(approx.) have been referred to Regional Licensing Authorities. (RLAs).

Note No. 21

A Member had filed a petition with the National Company Law Tribunal for alleged mis-management of Council including allegation of mis-utilization of the funds. The matter is represented by the Council. At the present no financial impact can be ascertained as the matter is in progress.

Note No. 22

Due to introduction of negative list in the year 2012, on the interpretation that the Grants received by the Council from Government of India for organizing/conducting events in India are brought in to the tax net, the Council has provided Rs. 2,55,88,202/- as Service Tax liability and interest of Rs. 1,06,79,550/- for Grant received from July 2012 to March 2016. The Council obtained a legal opinion that, the Grants received are not for consideration and accordingly not subject to Service Tax, and after the amendment of finance act 2015 only reimbursement of expenses for BG/ EMD are subject to tax. Based on this, the excess Service Tax provision of Rs.3,42,08,728/-(Rs. 3,62,67,752 less Rs. 20,59,024)has been written back.

Note No. 23

Penalties and Earnest Money Forfeited of Rs.1,05,17,814/-, Previous year Rs.1,28,36,671/- provided on forfeited amount shown in the current liabilities represents the amount of Earnest Money Deposits/Bank Guarantees/Legal Undertakings/ Post Dated Cheques forfeited and actually realized



from the exporters. Certain amounts, which become refundable on reappraisal of cases as per policy of the Government, are debited to this account at the time of refund.

a) The Government has released following grants for various projects, the actual expenditure incurred and the balance amount carried forward as Grants received in advance is as under:

Note No. 24

Sl. No.	Name of the Project	Balance carried forward from last year		Grant Received from Govt. during the year	Grant Refunded Adjusted during the Year	Admissible Grant during the year	Balance carried forward	
		Liability	Recov-erable				Liability	Recoverable
		₹	₹				₹	₹
1	MAI Grants:							
	EP Projects- MAI (Overseas & Domestic)	21,82, 000	2,69,63,000	Nil	(21,82, 000)	8,57,71, 000	Nil	11,27, 34,000
	Refund of Previously Utilized Grant	Nil	Nil	Nil	(1,68, 74,000)	Nil	Nil	Nil
2	Other Grants :							
	MDA Code Activities	6,50,000	Nil	Nil	Nil	Nil	6,50, 000	Nil
	Common Compliance Code-DISHA	-	-	-	(37,84, 122)	-	37,84,122	Nil
	Establishment of Five Apparel Training Center in Bihar	2,84,513	Nil	11,692	Nil	Nil	2,96, 205	Nil
	PSQC Training of North East Students	15,05, 758	Nil	Nil	Nil	Nil	15,05, 758	Nil
	Claims of reimbursement of administrative expenses of EMD-BG work being done on behalf of Ministry of Textiles Govt. of India.	Nil	1,09,60, 749	54,07, 923	19,26, 331	70,44,461	Nil	1,45, 23, 678
	Total	46,22, 271	3,79,23,749	54,19, 615	(2,09,13, 791)	9,28,15, 461	62,36,085	12,72,57,678

Note No. 25

Expenditure in foreign currency (determined on accrual basis) is as under:-

Description	Current Year ₹	Previous Year ₹
Expenditure on Travel, Delegations, Trade Fairs, Seminars, Market Study, Seminar, Publicity and Travel Reimbursements etc.	10,50,66,176	9,87,26,292
TOTAL	10,50,66,176	9,87,26,292

Note No. 26

Auditor's Remuneration includes:

Description	Current Year ₹	Previous Year ₹
As Auditors	6,20,290	5,63,900
Audit Fee (Excluding Service Tax)		
Taxation Matters	30,000	3,78,797
Out of Pocket Expenses	1,200	1,446
Total	6,51,490	9,44,143

Note No. 27

Market Development Assistance (MDA) included in Unutilized Funds Received from Government shown in Current Liabilities represent balance remained unutilized out of funds received from Department of Commerce, Ministry of Commerce & Industry towards assistance to Exporters for Sales tour, Participation in fairs abroad and Publicity as per MDA guidelines:

Particulars	Current Year ₹	Previous Year ₹
Opening Balance	1,08,05,628	71,87,450
Funds Received during the year (Including Interest)	3,52,468	41,73,178
Total	1,11,58,096	1,13,60,628
Less: Amount disbursed/refunded during the year	3,81,238	5,55,000
Closing Balance	1,07,76,858	1,08,05,628

Note No. 28

Expenses relating to previous year are on the following accounts:-

S. No	Particulars	Current Year ₹	Previous Year ₹
1	EP Activity	32,007	9,30,420
2	Repairs & Maintenance	60,449	4,18,402
3	Assessing Activity	-	38,729
4	Communication Exp.	16,854	-
5	Staff Welfare & Entertainment	1,04,645	-
6	Advertisement Expenses	48,975	-
7	Others	10,860	4,842
	Total	2,73,790	13,92,393

Note No. 29

The Council being Company under Section 8 of the Companies Act, 2013 is registered under Section 12A of the Income Tax Act, 1961 and its expenditure towards objects of the Council is treated as application of income under the provisions of Section 11 of the



Income Tax Act, 1961 therefore there are no timing differences between its accounting income and taxable income that originate in one period and are capable of reversal in one or more subsequent period

as per Accounting standard AS-22 “ Accounting for Taxes on Income” notified under Section 133 of the Companies Act, read together with the Rules.

Note No. 30

Defined Benefit Plans :

	Current Year ₹		Previous Year ₹			
i) The Company has recognized in the Income and Expenditure Accounts for the Year ended March 31, 2016 an amount of expenses under defined contributions plans benefit (Contribution to Provident Fund)	77,55,135		68,42,294			
ii) The Company operates post retirement defined benefit plan for retirement Gratuity which is funded. Leave Encashment is funded for all employees except contractual employees and regular employees joined on or after financial year 2012-13.						
	Gratuity		Earned Leave Encashment		Medical Leave Encashment	
	C. Year ₹	P. Year ₹	C. Year ₹	P. Year ₹	C. Year ₹	P. Year ₹
Details of the post retirement plan are as follows :						
(1) Reconciliation of opening and closing balance of obligations:						
(a) Obligation as at the beginning of the year	4,45,46,524	3,42,52,033	2,63,49,055	1,60,50,406	78,06,447	56,09,875
(b) Current Service Cost	13,18,654	13,94,175	22,56,133	16,71,979	-	-
(c) Interest Cost	33,85,536	27,40,163	20,02,528	12,84,032	5,93,290	4,48,790
(d) Actuarial (Gain)/Loss	69,61,295	65,41,825	64,40,419	73,47,238	15,51,236	17,47,782
(e) Benefits Paid	(2,15,985)	(3,81,672)	(2,51,785)	(4,601)	-	-
(f) Obligation as at the end of the year	5,59,96,024	4,45,46,524	3,67,96,350	2,63,49,055	99,50,973	78,06,447
(2) Change in Plan Assets (Reconciliation of Opening and Closing balances):						
(a) Fair value of plan asset as at the beginning of the year	3,62,98,464	3,26,60,261	3,64,88,167	3,36,80,520	-	-
(b) Actual return of plan assets	29,62,764	26,94,962	30,01,282	28,12,248	N/A	N/A
(c) Contribution	1,92,644	13,24,914	-	-	-	-
(d) Benefits paid	(2,15,985)	(3,81,672)	(2,51,785)	(4,601)	-	-
(e) Charges deducted	-	-	-	-	-	-
(f) Fair value of plan assets as at the end of the year	3,92,37,887	3,62,98,464	3,92,37,664	3,64,88,167	-	-
(3) Reconciliation of obligation & plan Assets:						
(a) Present Value of obligation as at the end of the year	5,59,96,024	4,45,46,524	3,67,96,350	2,63,49,055	9,950,973	78,06,447

(b) Fair Value of Plan Assets as at the end of the year	3,92,37,887	3,62,98,464	3,92,37,664	3,64,88,167	-	-
(c) Assets/ (Liabilities) recognized in the Balance Sheet	(1,67,58,137)	(82,48,060)	24,41,314	1,01,39,112	(9,950,973)	(78,06,447)
(d) Assets/ (Liabilities) Not recognized in the Balance Sheet	-	-	-	-	-	-
(4) Expenses recognized during the year:						
(a) Current Service Cost	13,18,654	13,94,175	22,56,133	16,71,979	-	-
(b) Interest Cost	33,85,536	27,40,163	20,02,528	12,84,032	593,290	4,48,790
(c) Expected Return on Plan Assets	(28,13,131)	(26,12,821)	(28,27,833)	(26,94,442)	-	-
(d) Actuarial Gain/Loss recognized during the period	68,11,662	64,59,685	62,66,970	72,29,432	1,551,236	17,47,782
(e) Expenses/(Income) recognized during the Year in the I&E	87,02,721	79,81,202	76,97,798	74,91,002	2,144,526	21,96,572
(5) Assumption:						
(a) Discount Rate (p.a.)	6.80%	7.60%	6.80%	7.60%	6.80%	7.60%
(b) Expected Rate of Return on Planned Assets (p.a.)	7.75%	8.00%	7.75%	8.00%	N/A	N/A
(c) Rate of Escalation in Salary (p.a.)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
(d) Average remaining Working Lives of Employees (years)	14.97	16.24	14.97	15.64	14.97	12.36
(6) Experience Adjustments:						
Experience Adjustment loss/ (Gain)-Plan	-	-	-	-	-	-
Experience Adjustment loss/ (Gain)-Obligations	69,61,295	65,41,825	6,440,419	73,47,238	15,51,236	17,47,782

(7) Reconciliation of fair value of assets and obligations for the past years:	31st March 2015			31st March 2014			31st March 2013		
	Gratuity ₹	EL ₹	ML ₹	Gratuity ₹	EL ₹	ML ₹	Gratuity ₹	EL ₹	ML ₹
Present Value of Obligation	3,42,52,033	1,60,50,406	56,09,875	2,98,13,420	1,21,79,665	70,00,180	2,46,66,943	1,00,73,683	66,60,506
Fair Value of Plan (Assets)	3,26,60,261	3,36,80,520	-	2,95,78,265	3,12,55,238	-	2,66,18,007	2,99,00,156	-
(Assets)/Liability Recognized in the Balance Sheet	15,91,772	(1,76,30,114)	56,09,875	2,35,155	(1,90,75,573)	70,00,180	(19,51,064)*	(1,98,26,473)	66,60,506

The expense is disclosed in the line item-contribution to provident and other funds.

* The excess of assets over liabilities in respect of gratuity have not been recognized as they are lying in irrevocable LIC fund.



Note No. 31

Leases Rent (Operating Leases) :

- The Council has taken various office premises under operating lease agreements these are cancellable/renewable by mutual consent on mutually agreed terms.

Lease expenses of Rs. 2, 86,164/- (previous year Rs. 2, 60,625/-) is recognized in Statement of Income & Expenditure.

- The Council has given various office premises under operating lease agreements these are cancellable/renewable by mutual consent on mutually agreed terms.

Some of the terms of lease of office premises have an initial lock-in period. Lease receipts of Rs.11,19,82,235/- (Previous Year Rs. 11,34,14,339/-) are recognized in the Statement of Income & Expenditure as per terms of agreement. For the office premises given on lease for the period of lock-in period, the details of such non-cancellable portion are as follows;

S.No.	Assets given on lease:	Current Year ₹	Previous Year ₹
a)	Total of minimum lease payments receivable		
	The total of minimum lease payments receivable for a period		
	• Not later than one year	1,16,57,793	6,84,47,816
	• Later than one year and not later than five years	Nil	1,16,57,793
	• Later than five years	Nil	Nil

Notes No. 32

Segmental Reporting

The Council operates in a single reportable segment i.e. export promotion activities which has similar risk and return for the purpose of AS-17 on 'Segmental Reporting'. The Council does not have any reportable secondary geographical segment.

Notes No. 33

Expenditure on Corporate Social Responsibility (CSR)

- Gross amount required to be spent by the Council during the year ended 31 March, 2017 Rs. 28,10,000/- (previous year Rs. 13,92,539/-).
- Amount spent during the year ended 31 March, 2017:

Particulars	Amount Paid / spent (A)	Amount Yet to be Paid / spent (B)	Total Amount (A+B)
	₹	₹	₹
(i) Construction/acquisition of any assets	-	-	-
(Previous Year)	(-)	(-)	(-)
(ii) On purpose other than (i) above	29,00,000	-	29,00,000
(Previous Year)	(21,00,000)	(-)	(21,00,000)

(c) Details of related party transactions:

S.N.	Transaction	Current Year	Previous Year
		₹	₹
i	Contribution during the year ended 31st March, 2017	Nil	Nil
ii	Payable as at 31st March, 2017	Nil	Nil

Notes No. 34

Provisions

i. Provision for expenditure associated with recognition of income on basis of accrual principal against which related expenses has been provided for and are expected to be utilized in next financial year.

ii. Other provisions primarily include provisions for tax related contingencies and litigations. The timing of cash out flows in respect of such provision cannot be reasonably determined. The activity in provision balance is summarized below:

Provisions	Opening Balance as at 01.04.2016	Additional provision made during the year	Utilized/ (reversed) during the year	Closing Balance as at 31.03.2017
	₹	₹	₹	₹
Provision for Property Tax	-	-	-	-
(Previous Year)	(48,25,999)	(-)	(-)	(-)
Provision for Service Tax	3,62,67,752	20,59,024	(3,62,67,752)	20,59,024
(Previous Year)	(9,81,93,916)	(-)	(-)	(3,62,67,752)
Provision for Expenditure	1,19,13,323	-	(1,19,13,323)	-
(Previous Year)	(1,17,24,975)	(-)	(-)	(1,19,13,323)

Notes No. 35

Related Party Disclosure : As per Accounting Standard 18 are as follows;

Enterprises where the Council exercises control by way of power to nominate the majority of the composition of the governing bodies:

a) List of related parties ;

1. Apparel Training & Design Centre (ATDC)
2. AEPC society for Human Resource Development (IAM)

3. AEPC society for Rural Development & Labour Welfare Foundation (AEPCRD&LWF)

b) Key Management Personnel ;

Chairman - Sh. Ashok G Rajani w.e.f. 01/01/2016

Note: (No remuneration or monetary benefit was given to them).



c) Transaction /balances outstanding with related parties (Amount in Rs.) ;

Particulars	ATDC		AEPC Society for HR Development (IAM)		AEPC RD&LWF	
	C. Year	P.Year	C. Year	P.Year	C. Year	P.Year
Transaction during the Year;	₹	₹	₹	₹	₹	₹
Lease Charges Received	37,43,808	33,84,132	Nil	Nil	Nil	Nil
Reimbursement of Expenses/ Contribution-paid	9,24,094	15,91,744	75,25,000	71,27,738	Nil	Nil
Reimbursement of Expenses/ Contribution -received	15,61,349	39,03,488	86,253	10,67,679	Nil	Nil
Assessment Charges Received (Non-MES)	7,15,800	82,074	Nil	Nil	Nil	Nil
Balance at the end of the year:						
Amount due to	Nil	Nil	6,63,747	Nil	Nil	Nil
Amount due From	58,29,389	36,00,900	Nil	3,62,103	2,859	2,859

Notes No. 36

Disclosure of the details of Specified Bank Notes (SBN) held and transacted during the period of 8th November 2016 to 30th December 2016 as provided in the table below,

	SBNs	Other Denomination Notes	Total
	₹	₹	₹
Closing cash in hand as on 08.11.2016	1,48,000.00	28,474.60	1,76,474.60
(+) Permitted Receipts*	-	7,60,978.00	7,60,978.00
(-) Permitted Payments	-	(3,21,891.00)	(3,21,891.00)
(-) Amount Deposited in Banks	(1,66,000.00)	(4,23,153.00)	(5,89,153.00)
Closing Cash in hand as on 30.12.2016	(18,000.00)	44,408.60	26,408.60

- Permitted receipts including withdrawals from Banks during the specified period.

The Company has also deposited certain SBNs of Rs. 18,000/- of employees along with Company's SBN during the period from 9th November 2016 to 30th December 2016.

Notes No. 37

The previous year figures has been regrouped or re-arranged wherever considered necessary.

As per our Report of Even Date Attached

For S.P. Puri & Co.
Chartered Accountants
(FRN No.001152N)

For and on behalf of the Executive Committee

Ashok G Rajani
Chairman

Narendra Goenka
Chairman F&B

Vidur Puri
Partner
Membership no. 90163

Sanjiv Malhotra
DSG & Secretary

Kundan Srivastava
General Manager - Finance

Place : Goa

Date : 29-07-2017



ATTENDANCE SLIP

APPAREL EXPORT PROMOTION COUNCIL

CIN: U74899 DL 1978 NPL 008877

(Regd. Office :- A-223 Okhla Industrial Area Phase-I, New Delhi-110020)

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME & ADDRESS OF THE MEMBER

.....

MEMBERSHIP NO.
(to be filled in by Member)

I certify that I am a Member of the Council

I hereby accord my presence, at the 38th Annual General Meeting of the Council held on 28th September, 2017, Thursday at 12.00 Noon at Niryat Bhawan (FIEO Office Building), Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi-110057

Signature of Member



APPAREL EXPORT PROMOTION COUNCIL

Regd. Office:-A-223, Okhla Industrial Area, Phase-I, New Delhi-110020

CIN No. U74899DL1978NPL008877

Telfax No. 011- 40501798, Email:- aepcokhla@aepcindia.com

Website: www.aepcindia.com