

## EXECUTIVE COMMITTEE

ASHOK G. RAJANI  
H.K.L MAGU  
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  
PRITAM GOEL  
RAKESH VAID  
SUDHIR SEKHRI  
G. S. MADAN  
LALIT GULATI  
A. SAKTHIVEL  
RANJIT P SHAH  
JAGADISH N. HINDUJA  
MANAV GOYAL  
B SHANMUGASUNDARAM  
RAJEEV S. GOENKA  
A.S.SUBRAMANIAN  
N.CHANDRAN  
V. ELANGO VAN

CHAIRMAN  
VICE-CHAIRMAN

### CONTENTS

EXECUTIVE COMMITTEE & OFFICES	01
NOTICE	2-5
EXECUTIVE COMMITTEE'S REPORT	6-31
AUDITOR'S REPORT	32-34
ANNEXURE TO AUDITOR'S REPORT	35-36
BALANCE SHEET	37
INCOME & EXPENDITURE ACCOUNT	38
CASH FLOW STATEMENT	39
NOTE 2 TO 18	40-52
NOTE 1	53-56
NOTE 19 TO 37	56-63
PROXY FORM	65

RAHUL MEHTA  
ASHOK LOGANI  
M.A.RAMASAMY  
ANIL BUCHASIA  
SUNAINA TOMAR

CO-OPTED MEMBER  
CO-OPTED MEMBER  
CO-OPTED MEMBER  
CO-OPTED MEMBER  
JT. SECRETARY,  
MINISTRY OF TEXTILES -  
(GOVT. NOMINEE)  
TEXTILE COMMISSIONER -  
(GOVT. NOMINEE)  
DIRECTOR GENERAL-  
NIFT(GOVT. NOMINEE)

KAVITA GUPTA

SUDHIR TRIPATHI

### SECRETARY GENERAL

RAM SINGH

### Dy, SECRETARY GENERAL & SECRETARY

SANJIV MALHOTRA

### LEGAL ADVISOR

G L RAWAL  
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  
DENA BANK  
UNION BANK OF INDIA  
ICICI BANK  
CENTRAL BANK OF INDIA

### REGISTERED OFFICE

A-223, OKHLA INDUSTRIAL AREA, PHASE1,  
NEW DELHI-110020  
CIN : U74899DL1978NPL008877  
EMAIL: SMALHOTRA@AEPCINDIA.COM  
WEBSITE: WWW.AEPCINDIA.COM  
TELEFAX: 011- 40501798

### HEAD OFFICE

APPAREL HOUSE, INSTITUTIONAL AREA,  
SECTOR-44, GURGAON – 122003, HARYANA

### OTHER OFFICES AT

NEW DELHI  
NOIDA  
JAIPUR  
LUDHIANA  
CHENNAI  
TIRUPUR  
BANGALORE  
KOLKATA  
MUMBAI

### 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.



## NOTICE

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the Council will be held on 30<sup>th</sup> September, 2016, Friday 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 31<sup>st</sup> March, 2016, 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 38<sup>th</sup> Annual General Meeting of the Council, to be held in the year 2017 and to fix their remuneration.
3. To elect & so appoint a Member to the Executive Committee, in place of Shri. Vijay 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. Premal H Udani 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. J.B.Jain from Western Region, who is retiring otherwise.
6. To elect & so appoint a Member to the Executive Committee, in place of Shri Rakesh Vaid 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 H.K.L Magu 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 G.S.Madan 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. Jagadish N Hinduja 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 Manav Goyal 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 B. Shanmugasundaram from Southern Region, who retires by rotation and is eligible for re- election.

By order of the Executive Committee

Place: Mumbai  
Date: 17/08/2016

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 attend and vote at the meeting is entitled to appoint a proxy (**only for the resolution 1 & 2 and No proxy is valid for the resolution No. 3 to 11**) to attend and to vote at the meeting on his behalf. Such proxy need to be a member of the AEPC. Proxies in order to be effective must be received by the Council at its Registered Office not less than forty-eight hours before the meeting.

A person can act as proxy on behalf of Members not exceeding fifty.

[b] The Register of Members of the Council will be closed from 24.09.2016 to 30.09.2016 (both days inclusive).

By order of the Executive Committee

Place: Mumbai  
Date: 17.08.2016

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 election of executive committee members are as under:

[a] The Notice of the AGM along with the Executive Committee's Report 2015-16 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 2015-16 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 resolutions only for Election of the Executive Committee Members, set forth in this Notice (agenda point no 3 to 11).

[c] Agenda point 1 & 2 will be dealt as per provisions of Articles of Association of the Council.

### 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 for election of executive committee members 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](http://www.evoting.nsdl.com) or call NSDL toll free no.- 1800-222-990.
- B.
- i. The remote e-voting period commences on 27.09.2016 (Tuesday) and ends on 29.09.2016 (Thursday) at 05:00 PM. During this period, Members of the Council, whose name is entered in the Register of Members as on, 23.09.2016 (Friday) 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 23.09.2016. 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 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](mailto: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](http://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](http://www.aepcindia.com) and on the website of NSDL [www.evoting.nsdl.com](http://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: Mumbai  
Date: 17.08.2016

SANJIV MALHOTRA  
Deputy Secretary General & Secretary

**Registered Office:**

A-223, Okhla Industrial Area, Phase-1  
New Delhi-110020  
CIN No U74899DL1978NPL008877  
Email: [smalhotra@aepcindia.com](mailto:smalhotra@aepcindia.com)  
Website: [www.aepcindia.com](http://www.aepcindia.com)  
Telefax: 011- 40501798



## EXECUTIVE COMMITTEE'S REPORT FOR THE FINANCIAL YEAR 2015-16

The Executive Committee of the Council has great pleasure in presenting the 37th Annual report along with the Income & expenditure Account, Balance Sheet and the Auditor's Report for the Year ended 31<sup>st</sup> March, 2016.

### REVIEW OF EXPORTS – PERFORMANCE IN 2015-16

India's RMG export to World for financial year 2015-16 was to the tune of USD 16,989mn. Which is

up by 0.8 per cent compared to the same period of previous financial year. During 2014-15 India's apparel exports were to the tune of USD 16847mn.

In rupee terms export for the cumulative period of 2015-16 was Rs. 1,11,177.8 Cr. as against Rs. 1,03,025 Cr. of the same period of previous financial year. During 2015-16, exports have grown by 7.9 percent in rupee terms compared to same period of previous year.

**The Table 1 below depicts India's RMG & Textile Exports to the World:-**

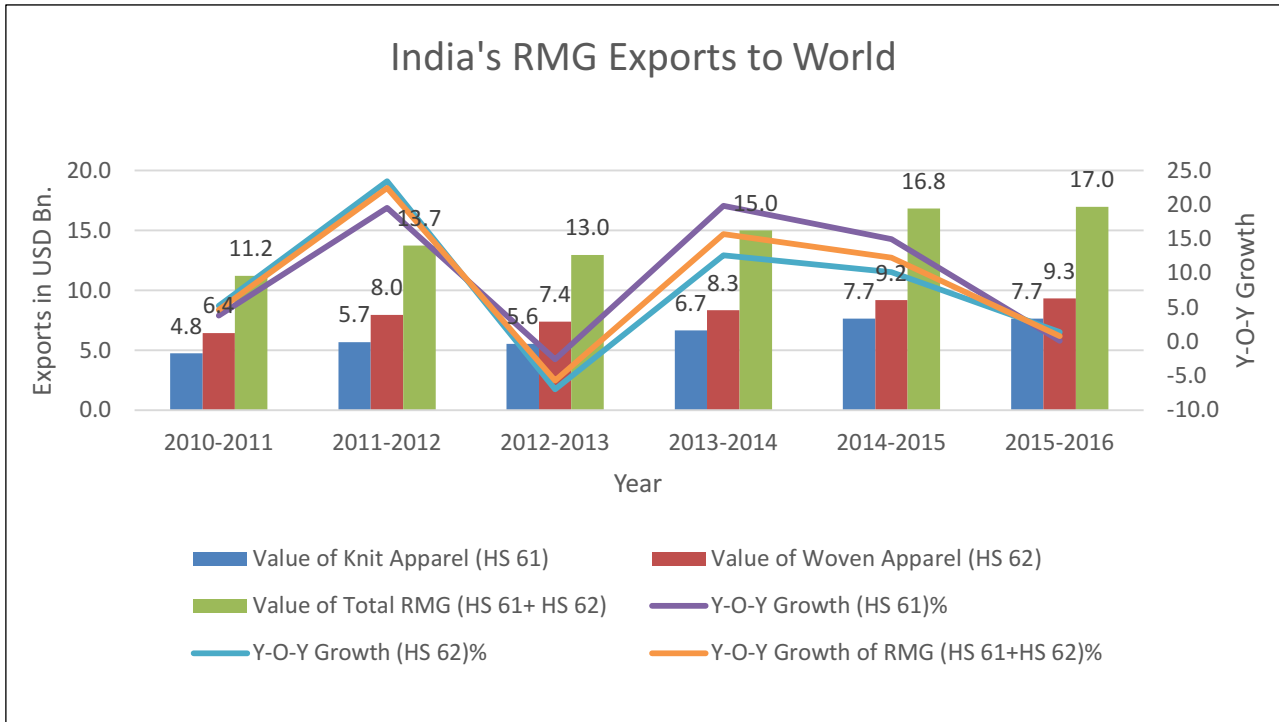
Table 1 - India's RMG & Textile Export to World (Growth and Share in %)								
FY	USD Mn.			RMG Share in India's Total Textile & Clothing Export to World in % *	Share in % In India's All Commodity Export		Y-O-Y Growth in %	
	A: RMG Export	B: Textile Export (Excluding RMG)	Total Textile (A: + B:)		RMG Export	Textile Export	RMG Export	Textile & RMG Exports
<b>2005-2006</b>	8627	8750	17377	50	<b>8.4</b>	<b>8.5</b>	<b>31.2</b>	<b>25.2</b>
2006-2007	8895	10109	19004	47	7	8	3.1	9.4
2007-2008	9693	12294	21987	44	5.9	7.5	9	15.7
2008-2009	10951	7790	18741	58	5.9	4.2	13	-14.8
2009-2010	10719	9907	20626	52	6	5.5	-2.1	10.1
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	16989	19749	36737	46	6.5	14	0.8	-2.4

**Source: DGCIS, 2015**      **\*Rounded up figure**

### Share of Knitted & Woven garments

- (i) Knitted Exports USD Mn. 7664.5mn. (2015-16), Share 45 %, Growth 0.1%
- (ii) Woven Exports USD Mn. 9324.2mn. (2015-16), Share 55%, Growth 1.4%

It is evident from the Fig given below that Indian Garment exports growth have seen fluctuation in the last six years on account of global economic uncertainty and loss of competitiveness vis-à-vis emerging economies in the region.



### World Apparel Trade

Global Apparel Exports is US\$ 458.5 billion in 2015 (Source: UN Comtrade, 2016), out of which India exports were only US\$ 17.1 billion, while China exports around US\$162.3 billion, almost 9 times that of India, Bangladesh US\$ 30.1 bn. which are almost double of India's apparel exports.

India is the 6th largest apparel exporter in globe with 3.7% share after China (35.4%), Bangladesh (6.6%) and Vietnam (5.1%), the economies comparable in their region.

During the year 2015, Cambodia recorded a whopping growth of 72% over the previous year while Vietnam grew at 18.3% and Bangladesh grew at 4.2%.

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 Exporters, Country wise (Top Competitors)									
Rank in 2015	Exporters	Exports in US\$ Bn.				Share in %			
		2013	2014	2015	% Change 2015/14	2013	2014	2015	% Change 2015/14
	<b>World</b>	<b>445.3</b>	<b>472.7</b>	<b>458.5</b>	<b>-3.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
1	China	165.0	173.4	162.3	-6.4	37.1	36.7	35.4	-3.5
2	Bangladesh	26.6	28.9	30.1	4.2	6.0	6.1	6.6	7.4
3	Viet Nam	16.7	19.7	23.3	18.3	3.8	4.2	5.1	21.9
4	Italy	21.6	22.9	19.4	-15.5	4.9	4.9	4.2	-12.9
5	Hong Kong, China	20.7	19.4	17.4	-10.0	4.7	4.1	3.8	-7.2
<b>6</b>	<b>India</b>	<b>15.7</b>	<b>16.5</b>	<b>17.1</b>	<b>3.6</b>	<b>3.5</b>	<b>3.5</b>	<b>3.7</b>	<b>6.8</b>
7	Germany	18.3	19.5	16.6	-14.5	4.1	4.1	3.6	-11.8
8	Turkey	15.0	16.3	14.9	-8.7	3.4	3.4	3.2	-5.9
9	Spain	11.1	12.0	11.9	-1.5	2.5	2.5	2.6	1.6
10	France	10.4	10.9	10.0	-7.9	2.3	2.3	2.2	-5.1
11	Indonesia	7.4	7.4	10.0	36.4	1.7	1.6	2.2	40.6
12	Cambodia	5.0	5.3	9.2	72.0	1.1	1.1	2.0	77.3
16	Pakistan	4.0	4.4	5.3	21.2	0.9	0.9	1.2	24.9
19	Sri Lanka	4.3	4.7	4.5	-2.9	1.0	1.0	1.0	0.1
32	Myanmar	1.1	1.5	1.7	14.3	0.3	0.3	0.4	17.9
50	Mauritius	0.7	0.8	0.8	-5.4	0.2	0.2	0.2	-2.5

**Source: UN Comtrade, 2016**

India's Top 20 apparel export destination 2015-16 EU has remained the top region for India's RMG exports; India's exports to EU was US\$ 6632.8 mn. in 2014-15; which has decreased to US\$ 6268.7 mn. in 2015-16; registering a decline of 5.5 percent in 2015-16 as compared to previous year. Moreover, EU's share in India's RMG exports is 36.9% in 2015-16.

USA remained the top most export destination for RMG during 2015-16. India RMG exports to USA amounted to USD 3862.0mn. in 2015-16 as compared to USD 3614.9 mn in 2014 -15 marking

an increase of 6.8 percent. Moreover, share of USA is 22.7% in 2015-16.

United Arab Emirates (UAE) has now become the second largest export destination of India. RMG exports from India to UAE were to the tune of USD 3423.8 mn. in 2015-16 which compared with the exports of USD 2650.3 mn. in 2014-15, show an export growth of 29.2 percent in 2015-16. It is pertinent to mention that besides the growth in the value terms, share growth of India's RMG exports to UAE has also increased in 2015-16. (Table 3 below)



Table 3 - India's RMG Exports to World - Country Wise						
Rank	Country	In USD Mn.		% Change 2015-16/2014-15	% Share	
		2014-15	2015-16		2014-15	2015-16
	<b>EU</b>	<b>6632.8</b>	<b>6268.7</b>	<b>-5.5</b>	39.4	36.9
1	U S A	3614.9	3862.0	6.8	21.5	22.7
2	U ARAB EMTS	2650.3	3423.8	29.2	15.7	20.2
3	U K	1859.2	1802.3	-3.1	11.0	10.6
4	GERMANY	1220.7	1113.0	-8.8	7.2	6.6
5	FRANCE	892.6	830.7	-6.9	5.3	4.9
6	SPAIN	683.5	741.5	8.5	4.1	4.4
7	NETHERLAND	435.7	380.3	-12.7	2.6	2.2
8	ITALY	442.1	380.0	-14.0	2.6	2.2
9	SAUDI ARAB	299.7	315.2	5.2	1.8	1.9
10	CANADA	242.4	250.6	3.4	1.4	1.5
11	DENMARK	257.2	213.7	-16.9	1.5	1.3
12	BELGIUM	253.7	187.4	-26.1	1.5	1.1
13	JAPAN	202.5	185.4	-8.4	1.2	1.1
14	SOUTH AFRICA	112.6	181.5	61.1	0.7	1.1
15	AFGHANISTAN TIS	87.8	168.9	92.4	0.5	1.0
16	AUSTRALIA	143.9	153.9	7.0	0.9	0.9
17	NIGERIA	91.1	141.4	55.3	0.5	0.8
18	SWEDEN	154.9	139.3	-10.1	0.9	0.8
19	POLAND	124.0	137.3	10.7	0.7	0.8
20	MEXICO	145.1	132.0	-9.0	0.9	0.8

**Source: DGCI&S, Kolkata, 2016**

Region wise RMG export growth has seen the trend of diversification in the last five years. In value terms still India's exports are high in the North America (NA) and European Union. Moreover, there are signs of increasing RMG export from India to Gulf Cooperation Council (GCC), Oceania and Rest of the

World (RoW).

The position of direction of exports during 2015-16, as compared to 2014-15 in value & share terms is given below:-

**Table 4 - India's RMG Exports: Region Wise**

S. No.	Region	Exports in USD Mn.		Growth in 2015-16/ 2014-15	Share in %	
		FY 2014-2015	FY 2015-2016		FY 2014-2015	FY 2015-2016
	<b>Total</b>	<b>16847</b>	<b>16989</b>	<b>0.8</b>	<b>100.0</b>	<b>100.0</b>
1	North America	4002	4245	6.1	23.8	25.0
2	Latin America	525	353	-32.7	3.1	2.1
3	European Union	6633	6269	-5.5	39.4	36.9
4	GCC	3116	3899	25.1	18.5	22.9
5	Africa	827	679	-17.9	4.9	4.0
6	North East Asia	383	393	2.5	2.3	2.3
7	CIS & Baltic Countries	362	105	-71.1	2.1	0.6
8	Oceania	171	181	6.1	1.0	1.1
	ROW	828	866	4.6	4.9	5.1

**Source: DGCI&S, Kolkata, 2015**

Note:

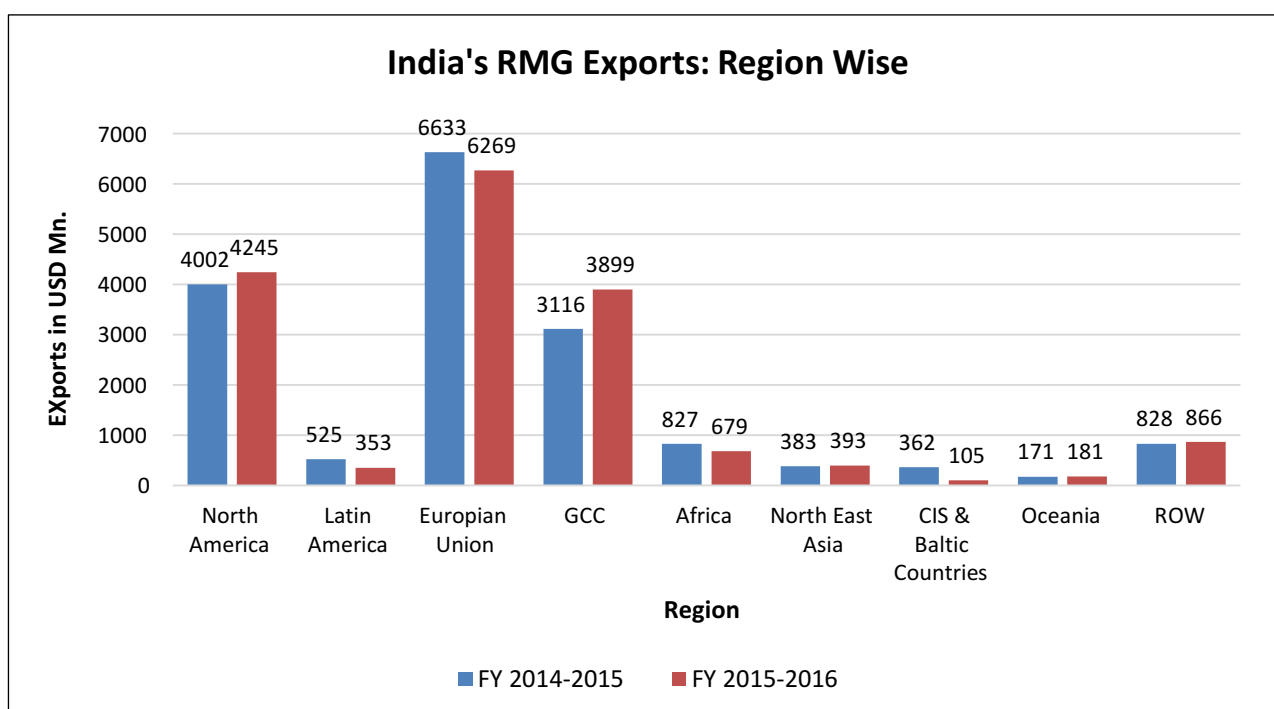
: North America including Canada

: 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



## EXPORT PROMOTION

### BUYER SELLER MEETS



- (a) **Buyer Seller Meet at Barcelona (17-18 Sept.) & Madrid (21-22 Sept.), Spain:-** Buyer Seller Meet was organized at Barcelona & Madrid in Spain from 17-22 September, 2015 with 29 participants. 180 buyers visited the BSM and business generated was U\$1.39 Mn.
- (b) **Buyer Seller Meet at Dubai:-** Buyer Seller Meet was organized at Dubai from 14-15 March, 2016 with 25 participants. 138 buyers visited the BSM and business generated was U\$ 0.32 Mn.
- (c) **Buyer Seller Meet at Montevideo, Uruguay (17-18 March) & Santiago, Chile (21-22 March):-** Buyer Seller Meet was organized at Montevideo, Uruguay & Santiago, Chile from 17-22 March, 2016 with 20 participants. 117 buyers visited the BSM and business generated was U\$ 0.73 Mn.

### INTERNATIONAL FAIRS



- (a) **Hong Kong Fashion Week, Hong Kong [6-9 July, 2015] :-** The Council participated with 57 participants. 1560 buyers visited the HKFW and business generated was U\$1.33 Mn.
- (b) **Hong Kong Fashion Week, Hong Kong [18-21 January, 2016] :-** The Council participated with 23 booths. 296 buyers visited the HKFW and business generated was U\$3.39 Mn.
- (c) **Sourcing at Magic Fair, Las Vegas, USA [16-19 August, 2015]:-** The Council participated with 65 participants. 1780 buyers visited the Fair and business generated was U\$3.52 Mn.
- (d) **Sourcing at Magic Fair, Las Vegas, USA [15-18 February, 2016]:-** The Council participated with 41 participants who have booked 46 booths. 1780 buyers visited the Fair and business generated was U\$4.93 Mn.
- (e) **India Trend Fair (ITF) at Tokyo, Japan (27-29 October, 2015) :-** The Council participated with 63 participants. 2 Executive Committee Members visited the fair for promoting the event. 2404 buyers visited the Fair and business generated was U\$6.8 Mn.



- (f) **International Sourcing Expo Australia (ISEA), Melbourne, Australia (16-18 November, 2015):-** The Council participated through FIEO. Out of 65 exhibitors, 43 exhibitors are AEPC's member. 345 buyers visited the Fair and business generated was of USD 0.20 Mn.



## DELEGATIONS

### **Visit of High level Trade Delegation to Bogota (Colombia), Medellin (Colombia) and Lima (Peru) between 5<sup>th</sup> to 10<sup>th</sup> April, 2015.**

AEPC decided to hold export promotion events in LAC countries for promotion of garment exports from India to Latin American countries, as per advised of Commerce Secretary, GOI.

A High Level Trade Delegation visited Bogota, Medellin and Lima from 5-10 April, 2015 under the leadership of Sh. Virender Uppal, Chairman – AEPC, who was accompanied by Sh. H.K.L. Magu, Chairman (F&B) and Sh. Puneet Kumar, IAS, SG – AEPC.

The objective of the visit of the delegation was:-

- I. To meet important garment buyers, and other industry leaders and pursue them to buy from India.
- II. To invite Presidents/CEO of large garment companies to visit India International Garment Fair to be held from 13-15 July, 2015 at Pragati Maidan, New Delhi.
- III. To meet with Chamber of Commerce for increasing mutual trade between India and Bogota, Medellin and Lima.

The delegation attended various meetings at Bogota, Medellin and Lima, wherein the delegation impressed upon them to source from India and also invited them to attend India International Garment Fair to be held from 13-15 July, 2015 at Pragati Maidan, New Delhi.

During the visit of delegation, meeting were held with National Federation of Traders, Colombia, CI Iblu SA, Crystal Group of Medellin, Colombia, M/s Saga Falabella, M/s Corporacion Jeruth, Indian Chamber of Commerce, Lima Chamber of Commerce, M/s Topi Top (Retail Division) and M/s Oechsle.

Buyers from Peru and Columbia visited the 55th IIGF held in July, 2015 also.

### **Visit of High level Trade Delegation of AEPC to Tehran, Iran (24-25 April, 2016) and to Dubai, UAE (27-28 April, 2016)**

During 2016-17, following delegation(s) visited in the new markets to explore the export potential of RMG export from India.

Objective of the Delegation:

- i. The Council mounted the Delegation with the view to explore the potential of the Iranian market, where the US sanctions have been lifted recently. The delegation aimed at meeting with 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.
- ii. The delegation also aimed at understanding the business climate, various procedural requirements /documentation required by Indian garment exporters for meeting custom compliance for shipments to Iran; understanding information's about banking arrangements and information's about the garment business cycle, fashion seasons etc.
- iii. The delegation invited the buyers to attend India Intl' Garment Fair scheduled in New Delhi from 18-20 July, 2016.

Results of the visit of the delegation

10 members Iranian Delegation from Tehran Garment Union Research Centre visited 57th IIGF held from 18 – 20 July, 2016 at Pragati Maidan, New Delhi. An MOU has been signed on 18.7.2016 between AEPC and Tehran Garment Union Research Centre (T.G.U.) to promote bilateral trade and industrial cooperation in the Textile and fashion sector.

## DOMESTIC EVENTS

- i) The 55th India International Garment Fair (IIGF) was organized from 13 -15 July, 2015 at Hall Nos. 7D, 7E, 8,9,10,11,12 &12A , Pragati Maidan, New Delhi. The 55th edition of India International Garment Fair (IIGF) was inaugurated by Shri Santosh Kumar Gangwar, Hon'ble Minister of Textiles for Textiles (Independent Charge) in the presence of Dr. Sanjay Kumar Panda, IAS, Secretary, Ministry of Textiles, who was the Guest of Honour during the inaugural function at Foyer of Hall No. 12 & 12A, Pragati Maidan, New Delhi. 433 participants participated in the fair. During the three days of the fair, 820 buyers from 68 countries and 334 buying agents visited the fair. It has been reported that the business potential from the fair would be around US\$ 204.12 million (Rs. 1285.95 Crores).

Ministry of Commerce & Industry has sanctioned an MAI grant of Rs. 400 lakhs for the 55th IIGF. During the 55th IIGF, 116 buyers were sponsored by providing complementary airfare and hotel stay and 117 buyers were given only complementary hotel stay for 3 nights under RBSM.



- ii) 56th India International Garment Fair (IIGF) was organized from 20 – 22 January, 2016 at Hall Nos. 8,9,10,11,12 &12A , Pragati Maidan, New Delhi. The 56th edition of India International Garment Fair (IIGF)

was inaugurated by Shri Santosh Kumar Gangwar, Hon'ble Minister of Textiles for Textiles (Independent Charge) in the presence of smt. Rashmi Verma, IAS, Secretary, Ministry of Textiles and Mrs. Sunaina Tomar, IAS, joint Secretary (Exports), Ministry of Textiles who were the Guest of Honour during the inaugural function at Hall No. 12A, Pragati Maidan, New Delhi. 322 participants participated in the fair. During the three days of the fair, 749 buyers from 69 countries and 432 buying agents visited the fair. It has been reported that the business potential from the fair would be around US\$ 202.46 million.

Ministry of Commerce & Industry has sanctioned an MAI grant of Rs. 450 lakhs for the 56th IIGF. During the 56th IIGF, 140 buyers were sponsored by providing complementary airfare and hotel stay and 85 buyers were given only complementary hotel stay for 3 nights under RBSM.

## RISK MANAGEMENT POLICY

During the year the Executive Committee overseas 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, Gurgaon 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 the work of internal financial control 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.





## **DRIVING INDUSTRY TOWARDS SUSTAINABLE HUMAN CAPITAL ADVANCEMENT (DISHA) – AEPC COMMON CODE OF CONDUCT**

487 factories were enrolled for DISHA program and implementation was completed in 218 factories till 31<sup>st</sup> March, 2014. 235<sup>th</sup> Executive Committee of the Council held on 10.09.2015 decided not to pursue DISHA program with the Funds of AEPC.

Accordingly, as per directions of the Executive Committee, AEPC had refunded an amount of Rs. 3,67,92,964/- (principle amount Rs. 2,86, 15,878/- + interest amount of Rs. 81, 77,086/-) to MOT vide letter No. AEPC/HO/SG/ 2015 dated 29<sup>th</sup> September, 2015 and also refunded participation fee of Rs. 25,000/- to each 247 DISHA enrolled factories, where DISHA program has yet not been started.

## **HUMAN RESOURCES DEPARTMENT**

### **i. Health Camp**

The Council conducted a Health Check up camp in association with M/s Iffco-Tokio General Insurance

### **iii. Seminar Titled “Paradigm Shift”**



A Seminar titled “Paradigm Shift” was organized by the Council on 27<sup>th</sup> Feb 2016, for AEPC officials at Gurgaon. After taking over as the Chairman of AEPC, Mr. Ashok G Rajani envisioned the need for

Co. Ltd on 12<sup>th</sup> January 2016 at its Head Office, Apparel House, Gurgaon. The health check up was organized under the supervision of health specialists from Paras Hospital, Gurgaon.

Over 90 employees of the Council attended the Health Check up Camp.

### **ii) International Women’s Day Celebration**

On the occasion of International Women’s Day on 08.03.2016, Council organized the following two medical sessions for the female employees of the Council in association with M/s. Iffco Tokio General Insurance Co. Ltd. at Head Office, Apparel House, Gurgaon:

- i. Gyne Session – information to females about hormonal changes at various stages
- ii. Dietician (Planned meal) – human nutrition and the regulation of diet.

The gynecologist and dietician from Neel Kanth Hospital, Gurgaon took the above-mentioned sessions.

radical change underlying the working of AEPC in order to optimize the potential of the organization. This Seminar was conducted with a mission to inculcate the spirit of bringing excellence in service

to the members and create a vibrant environment in the organization.

Mr. Nimish Dave the CEO & Founder at M/s.Idea Smith and a specialist of motivational trainings and other related learning interventions took various sessions on paradigm shift: different steps to be taken, change management, customer services etc. The sessions were interactive which motivated the participants to come out with their views and suggestions, to improve the working standards of AEPC.

### **KNITWEAR TECHNOLOGY MISSION**

Utilization of KTM facilities like tricot knitting and testing lab by fabric and apparel manufacturers is improving besides the services such as training programs and seminars being offered to entrepreneurs.

Polyester fabrics in different constructions were developed from Tricot warp knitting machine as per request received from exporters. These fabrics are mainly used for sportswear, fashion wear and active wear. Knitting job work is also carried out in lots.

Yarn, fabric and garments samples received for testing is encouraging and thereby lab utilisation is improving.

Short term program of three months duration on Knitwear Manufacturing and Management was conducted.

A technical seminar on warp knitting was organised in association with ATE Enterprises / Karl Mayer India on Feb. 16, 2016.

Buyers, buying agents, yarn & fabric manufacturers and exporters visited KTM centre and observed facilities and functioning.

### **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 2015-2016, 1293 (5%=1287 + 1%=06) 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 2015-2016, 137 nos. of units were visited by AEPC representatives.

### **AEPC RURAL DEVELOPMENT & LABOUR WELFARE FOUNDATION**

Executive Committee Meeting of AEPC Rural Development & Labour Welfare Foundation held on 22.05.2015 decided to transfer the (M/s. Bruhat Bengaluru Mahanagara Palike (BBMP) project, along with its complete financials shown in the balance sheet of AEPC Rural Development & Labour Welfare Foundation as on 31.03.2014 to Apparel Training & Design Centre (ATDC) (Actual financials to be considered as on date of transfer), for further monitoring and follow-up by ATDC.

It was further decided that since the BBMP project now would be monitored by ATDC therefore, the amount to be received / to be adjusted from BBMP including earlier grants and its utilization, as detailed above and shown in Annual Accounts, as on 31/03/2014 will only be accepted/ adjusted in ATDC book of accounts.

It was also decided to dissolve the AEPC Rural Development & Labour Welfare Foundation, after the transfer of the BBMP Project to the ATDC.

Accordingly, BBMP project is transferred to ATDC along with its complete financials, shown in the balance sheet of AEPC Rural Development & Labour Welfare Foundation as on 15.03.2016 to Apparel Training & Design Centre (ATDC).



Thereafter, as on date, there is no activity in AEPC Rural Development & Labour Welfare Foundation.

### 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 as of August 2016, AEPC was the mandate agency under the Integrated Skill Development Scheme (ISDS) of Ministry of Textiles (MoT) under Component II to conduct assessments for Non-MES courses for Apparel/Garment & Textile Sector.

During 2015-16, AEPC was empanelled by Resource Support Agency (RSA), Textiles Committee to conduct assessments for Apparel & Textile Sector.

AEPC has attained empanelment with the Sector Skill Council for Apparel, Made ups and Home Furnishings (SSC-AMH) in the month of March 2016 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 1,31,000 candidates as on date under MES, NON-MES, RSA and PMKVY category.

Table 1 below give the status report of the Skill Department w.r.t. MES, Non-MES, Non-MES (RSA) assessments conducted during 2015-2016.

**Table 1 – No. of Candidates assessed.**

Category	Candidates assessed 1st April 2015- 31st March 2016
MES	60
NON MES	25619
NON-MES (RSA)	2283
TOTAL	27962

### ASSET MANAGEMENT

- The AEPC's premises at 15 NBCC Tower, Bhikaji Cama Place, New Delhi was vacated by M/s. Teesta Urja Ltd. on 30.04.2015 and the same was leased out to M/s NICSI @ Rs. 225/- per sq.ft. per month for 5 years w.e.f. 25/05/2015.
- A MOU has been signed between AEPC and M/s India Knit Fair for the AEPC's premises at Tirupur for 5 years w.e.f 01/04/2015.
- As per MOU signed between AEPC and ATDC in respect of AEPC building at Faridabad, the rental rate should be reviewed after 2 years. Accordingly on expiry of 2 years tenure, the rate was reviewed by EC and decided to continue the same rate of Rs. 3/- per sq. ft. per month for further next 2 years w.e.f. 01.06.2015. An addendum in this regard has been signed between AEPC and ATDC.
- The lease agreement in respect to AEPC Tirupur premises has been renewed with ICICI Bank, Tirupur on a revised rental rates of Rs. 58/- per sq. ft. per month + taxes as applicable for a period of 9 years w.e.f. 28.09.2015.
- The lease agreement in respect to AEPC premises at Bajaj Bhawan, Mumbai has been renewed with M/s R. M.Bhutter on a revised rental rate of Rs. 175/- per sq. ft. per month + taxes as applicable for 3 years w.e.f. 11.11.2015.



## 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 2015-16, 1185 new Registered Exporters were enrolled.

The latest position as on 31st March, 2016 is as under:

Type	MER	MCM	MAF	Total
Member Exporters	90	4	703	797
Registered Exporters	2686	139	4650	7475
			G. Total	8272

MER : Merchant

MCM : Merchant cum Manufacturer

MAF : Manufacturer

The total number of Registered Exporters converted as Member as on date is 2058, since inception. System has been developed whereby intimation is sent to those Registered Exporters who fulfill the eligibility criteria for conversion to Member Exporters.

## NUMBER OF EXECUTIVE COMMITTEE MEETING

During Financial Year 2015-16, 9 Nos of Executive Committee meetings were held as detailed below:-

Serial No.	Date
1	22.05.2015
2	10.09.2015
3	06.11.2015
4	24.12.2015
5.	30.12.2015
6.	19.01.2016
7.	26.02.2016
8.	08.03.2016
9.	29.03.2016

## EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2015-16 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 be 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 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. This Core Committee is part



of Export Promotion Sub-Committee.

### **05. 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, Gurgaon, with the approval of Chairman, AEPC.

### **06. Staff Committee**

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

### **07. 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.

### **08. 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.

### **09. 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.

## **APPAREL HOUSE**

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 Gurgaon. The Head Office of Apparel Export Promotion Council is also located at Apparel House.

The Car Parking System has resulted in a source of revenue to Apparel House. The Energy Audit Implementation in Apparel House has been completed. This is part of our Green Initiative and Energy Management. Council has also applied for Bee star rating status for the building.

Fire mock drill were organised through trained fire officer in the presence of the fire department official, Gurgaon 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.and also calibrated the Diesel tank to ensure proper consumption of diesel.

## STATE OF COMPANY AFFAIR

### (Financial Review)

The net results shows a surplus of Rs.22.96 Crore as against surplus of Rs. 15.36 Crore during the previous year;

Particular	Amount 2015-16	Amount 2014-15	Difference, Increase (decrease)
	<b>Rs. In Crore</b>		
Total Income	75.97	65.22	10.75
Total Expenditure	53.01	49.86	(3.15)
<b>Net Surplus</b>	<b>22.96</b>	<b>15.36</b>	<b>7.60</b>

- ii The total income of the Council during the current year is Rs.75.97 Crore as compared to Rs.65.22 Crore during the previous year, indicating an increase of Rs.10.75 Crore;

Source Of Income	Amount 2015-16	Amount 2014-15	Difference, Increase (decrease)
	<b>Rs. In Crore</b>		
Membership Income	6.00	5.66	0.34
Council Fees	6.89	5.82	1.07
Export Promotion Receipts	28.86	26.38	2.48
Assessment Income	1.72	3.08	(1.36)
Rent	11.34	11.97	(0.63)
Interest	11.40	10.74	0.66
Reversal of S. Tax provision	8.40	Nil	8.40
Others	1.36	1.57	(0.21)
<b>Total</b>	<b>75.97</b>	<b>65.22</b>	<b>10.75</b>

- iii The total expenditure of the Council during the current year is Rs. 53.01 Crore as compared to Rs.49.86 Crore during the previous year, indicating a decrease of Rs. 3.15 Crore;

Head of Expenditure	Amount 2015-16	Amount 2014-15	Difference, Increase (decrease)
	<b>Rs. In Crore</b>		
Salaries & Staff Benefits	13.00	10.55	2.45

Administrative & Office Expenditure	5.60	5.60	0
Meeting Expenses	1.19	0.70	0.49
Legal & professional Charges	1.02	0.66	0.36
Export Promotion Expenses	25.49	24.03	1.46
Assessment Expenditure	0.22	0.36	(0.14)
Depreciation	4.26	6.16	(1.90)
Service Tax Provision	2.02	1.80	0.22
Donations/ Contribution for CSR Activities	0.21	0.00	0.21
<b>Total</b>	<b>53.01</b>	<b>49.86</b>	<b>3.15</b>

- iv An amount of Rs. 25.49 Crore (including Rs. 11.37 Crore spent on Tex Trend/IIGF Fair, Rs. 0.58 Crore under education and training initiatives of the Council and Rs. 0.50 crore on contribution to CII for joint study) was incurred on Export Promotion Activities (previous year Rs 24.03Crore). The contribution/income on EP Projects (including Govt. Grants of Rs. 10.69 Crore) during the current year was Rs. 28.86 Crore as against Rs. 26.38 Crore during previous year.
- v An amount of Rs. 1.09Crore on BG/EMD forfeiture amount has been retained on 31.03.2016 by the Council (Previous year Rs. 1.00 Crore).
- vi During the year Council has incurred/ capitalized following capital expenditure:

S.N.	Description	Amount in Crores
1	Office Premises	0.01
2	Office Equipment	0.05
3	Computers	0.13
4	Electric Equipment	0.01
	<b>Total</b>	<b>0.20</b>

### AMOUNTS TRANSFERRED TO RESERVES

The Executive Committee of the Council has decided to carry Rs 10.70 crores in the capital assets funds as per Section 11(2) of Income Tax Act 1961 and



Rs. 1 crores in the building repairs and replacement funds for upkeep and maintenance of Apparel House building at Gurgaon.

### **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 2015-16 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	<ul style="list-style-type: none"> <li>i) Replacement of 64 no.s of 120 W lamps in the exhibition hall with 75 W</li> <li>ii) Reduction in usage of 70 no.s butterfly pole lights from 6:30 pm -5:30 am to 6:30 pm -11 pm</li> <li>iii. Regulating water usage for gardening purposes by restricting unauthorized handling</li> <li>iv. Segregating Lighting arrangements from 2nd floor to 7th floor for better control</li> </ul>
Steps taken for utilizing alternate sources of energy	Tender is being floated to utilize 100 KW of solar energy and integrating with grid power.
Capital investment on energy conservation equipments	<b>NIL</b>

#### **b) Technology Absorption:**

Efforts made for technology absorption	Nil
Benefits derived	Nil
Expenditure on Research & Development, if any	<b>Nil</b>
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	<b>NA</b>
---	-----------

#### **c) Foreign Exchange Earnings/ Outgo:**

Earnings	Nil
Outgo	9.87 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 2015-16, in the prescribed format, AOC 2 has been enclosed with the report at Annexure-II.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

Executive Committee in its meeting held on 10/09/2015 constituted the CSR committee comprising of 4 Executive Committee members of the Council. The said committee in its meeting held on 05.11.2015, recommended to contribute Rs.21 lacs towards Prime Minister National Relief Fund as CSR policy. Accordingly payment was made in Prime Minister National Relief 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	Nominated as Government Nominee
2.	Smt. Kavita Gupta	Nominated as Government Nominee

3.	Smt. Kiran Soni Gupta	Ceased as Government Nominee
4.	Sh. P.K.Gera	Ceased as Government Nominee
5.	Sh. Kamal Ghisaram Choudhary	Ceased as Executive Committee Member
6.	Sh. J.B.Jain	Appointed as Executive Committee Member in Casual Vacancy
7.	Sh, Rishi Rajani	Elected as Executive Committee Member
8.	Sh.V.Elangovan	Elected as Executive Committee Member
9.	Sh.R. B. Goenka	Reappointed as Executive Committee Member
10.	Sh. Ashok G Rajani	Reappointed as Executive Committee Member
11.	Sh. Virender Uppal	Reappointed as Executive Committee Member
12.	Sh. Harish Ahuja	Reappointed as Executive Committee Member
13.	Sh. Pritam Goel	Reappointed as Executive Committee Member
14.	Sh. Rajeev S Goenka	Reappointed as Executive Committee Member
15.	Sh.N. Chandran	Reappointed as Executive Committee Member
16.	Sh. Rahul Mehta	Appointed as Co-opted Member
17.	Sh. Ashok Logani	Appointed as Co- opted Member
18.	Sh. M.A.Ramasamy	Appointed as Co-opted Member
19.	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, 2016, 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, 2016 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 2015-2016 does not contain any qualification, reservation or adverse remarks.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

During the F.Y 2015-2016, 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. Vijay Kumar Agarwal, Sh. Premal H Udani from Western Region, Sh. Rakesh Vaid, Sh. H.K.L Magu, Sh. G.S.Madan from Northern Region and Sh. Jagadish N Hinduja, Sh. Manav Goyal, Sh. B. Shanmugasundaram from Southern Region are retiring by rotation. Sh.J.B.Jain from Western 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 36<sup>th</sup> Annual General Meeting of the Council up to the conclusion of 41<sup>st</sup> Annual General Meeting (subject to ratification at every annual General Meeting).



## ACKNOWLEDGEMENT

The Executive Committee of AEPC express their sincere gratitude for the cooperation, assistance and support extended by the Hon'ble Minister of Textiles, Smt. Smriti Zubin Irani, Hon'ble Minister of State, Shri Ajay Tamta, Smt. Rashmi Verma, IAS, Secretary (Textiles), Smt. Sunaina Tomar, IAS, Joint Secretary (Exports) and other officers of the Ministry of Textiles.

It is pertinent to mention that the then Hon'ble Minister of State (Independent Charge) for Textiles, Shri. Santosh Kumar Gangwar and the then Secretary (Textiles) Dr. Sanjay Kumar Panda, 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, Textiles 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: Mumbai  
Date: 17.08.2016



**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on March 2016**

[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@apecindia.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. 01/04/2015				No. of Shares held at the end of the year i.e.31/03/2016				% Changes during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	-	-	-	-	-	-	-	-	-
(1) <b>Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank/Fl	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	-	-	-	-	-	-	-	-
(2) <b>Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs –Individual	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non- Institutions</b>	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	-	-	-	-	-	-	-	-



ii) *Shareholding of Promoters*

Name of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015			No. of Shares held at the end of the year i.e. 31.03.2016			% 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

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
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
10.	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)*

<b>Mn</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>		-	-	-
i) Principal Amount		-		
ii) Interest due but not paid	-			
iii) Interest accrued but not due				
<b>Total(i+ ii + iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
· Addition				
· Reduction				
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total(i+ ii + iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. No Remuneration has been paid to Managing Director, Whole- time Directors, Manger.

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)

<b>S. No.</b>	<b>Particulars of Remuneration</b>	<b>kmp</b>	<b>Total Amount</b>
		<b>(in Rs.)</b>	<b>(in Rs.)</b>
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	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:

**Details of material contracts or arrangement or transactions at arm's length basis**

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	Nil
(c)	Duration of the contracts / arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Date(s) of approval by the Board, if any	Nil
(f)	Amount paid as advances, if any	Nil

Place : Mumbai  
Date : 17/08/2016

For and on behalf 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.	235 <sup>th</sup> Executives Committee meeting of the council held on 10.09.2015 has constituted the CSR subcommittee having following members:- i) Sh. Virender Uppal, Chairman ii) Sh. Ashok G Rajani, Member iii) Sh. H K L Magu, Member iv) Dr. A Sakthivel, 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 2012-13</td> <td>Rs. 1,72,40,518</td> </tr> <tr> <td>2. For F.Y 2013-14</td> <td>Rs.3,80,32,289</td> </tr> <tr> <td>3. For F.Y 2014-15</td> <td>Rs. 15,36,08,098</td> </tr> <tr> <td><b>Total</b></td> <td><b>Rs. 20,88,80,905</b></td> </tr> <tr> <td colspan="2">Avg Net profit: Rs. 6,96,26,968</td> </tr> </tbody> </table>	Financial Year	Net Profit	1. For F.Y 2012-13	Rs. 1,72,40,518	2. For F.Y 2013-14	Rs.3,80,32,289	3. For F.Y 2014-15	Rs. 15,36,08,098	<b>Total</b>	<b>Rs. 20,88,80,905</b>	Avg Net profit: Rs. 6,96,26,968	
Financial Year	Net Profit													
1. For F.Y 2012-13	Rs. 1,72,40,518													
2. For F.Y 2013-14	Rs.3,80,32,289													
3. For F.Y 2014-15	Rs. 15,36,08,098													
<b>Total</b>	<b>Rs. 20,88,80,905</b>													
Avg Net profit: Rs. 6,96,26,968														
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	2% of Rs. 6,96,26,968 is Rs. <b>13,92,539</b>												
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. 13,92,539  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 was undertaken	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	Prime Minister National Relief Fund	N.A	-	Rs. 21,00,000	Rs. 21,00,000	Rs. 21,00,000	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, AEPC)

Virender Uppal  
(Chairman CSR Committee)

### STATEMENT OF PARTICULARS OF EMPLOYEES

**FOR THE YEAR ENDED 31ST MARCH, 2016**

(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. Puneet Kumar, IAS	Secretary General	Rs. 46,17,229/-	On Deputation as a non-central staffing scheme	B.Tech, M. Tech., M. Phil (Social Sciences)	49	22	29.11.13	Director (Highways), Ministry of Road Transport & Highways, Govt. of India	None
Mr. Vijay Mathur	Additional Secretary General	Rs 42,83,400/-	Regular employee	B. Sc. MBA	60	38	05.12.88	Maharashtra State Textile Corporation Limited, Bombay	None
Mr. Sanjiv Malhotra	Deputy Secy. General	Rs 26,26,480/-	Regular employee	B. Com. ICS (Inter), PGDAM, PGDAM, DCOM	57	36	21.07.86	M/s. SNS Medical Leasing Ltd., ND	None
Mr. R. K. Sharma	Sr. Director	Rs 24,23,173/-	Regular employee	B. Tech., DBM	55	35	13.10.88	M/s. Vardhman Spinning & General Mills Ltd., Ludhiana	None
Mr. Kundan Srivastava	General Manager	Rs 18,81,600/-	Contractual employee	B.Com, FCA	42	12	20.02.07	M/s. Elite Stock Management Ltd., Delhi	None
Mr. G. P. Madhwal	Director	Rs 17,00,802/-	Regular employee	BA	59	37	29.10.79	-	None
Mr. Rajeev Bhatnagar	Director	Rs 18,89,306/-	Regular employee	B.Com	58	36	23.09.80	-	None
Mr. R. Balaji	Director	Rs 15,90,002/-	Regular employee	M Com.	55	35	19.10.83	M/s R B M Poona Mills Ltd., Bangalore	None
Mr. T.C. Balasubramanian	Dy. Chief Coordinator	Rs 17,50,352/-	Regular employee	B. Com, CA (Inter) Group I	59	35	01.03.84	The Salvation Army an internal Christian Social & Religious Organisation, Chennai.	None
Mr. Ranjan Dasgupta	Addl. Director	Rs 17,31,848/-	Regular employee	B Sc. PGDBM, AICWA, LLB	53	31	04.09.95	Mining And Allied Machinery Corporation Ltd., Durgapur	None



## **S. P. PURI & CO.**

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

CHARTERED ACCOUNTANTS

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, 2016, 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, 2016, 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(d) 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) On the basis of written representations received from the Executive Committee members of the Council as on 31st March, 2016 taken on record by the Executive Committee of the Council, none of the Executive Committee members of the Council is disqualified as on 31st March, 2016 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.

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

PLACE : Mumbai  
DATED: August 17, 2016

(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, 2016 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 2016, 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 : Mumbai  
DATED : August 17, 2016

( VIDUR PURI )  
PARTNER  
MEMBERSHIP No. 90163

**APPAREL EXPORT PROMOTION COUNCIL**  
**(LIMITED BY GUARANTEE)**  
**BALANCE SHEET AS AT 31st MARCH, 2016**

Particulars	Note No.	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Reserves and surplus</b>	2	1,482,629,859	1,264,990,272
Sub-Total		<b>1,482,629,859</b>	<b>1,264,990,272</b>
<b>Non-current liabilities</b>			
Other Long term liabilities	3	138,031,802	124,284,446
Long-term provisions	4	40,403,982	23,073,506
Sub-Total		<b>178,435,784</b>	<b>147,357,952</b>
<b>Current liabilities</b>			
Trade payables	5		
Total Outstanding dues of micro enterprises and small enterprises		-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises		43,405,229	36,145,970
Other current liabilities	6	723,979,404	777,963,458
Short-term provisions	4	58,823,949	121,569,623
Sub-Total		<b>82,62,08,582</b>	<b>935,679,051</b>
<b>Total</b>		<b>2,487,274,225</b>	<b>2,348,027,275</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	591,615,907	645,008,051
Intangible assets	7	1,887,367	2,191,628
Capital work-in-progress	7	-	-
Long-term loans and advances	8	341,120,101	318,387,464
Other non-current assets	9	37,105,116	34,297,469
Sub-Total		<b>971,728,491</b>	<b>999,884,612</b>
<b>Current assets</b>			
Trade receivables	10	71,66,083	4,405,047
Cash and bank balances	11	1,349,144,825	1,180,646,752
Short-term loans and advances	8	46,120,270	60,884,447
Other current assets	9	11,31,14,556	102,206,417
Sub-Total		<b>1,515,545,734</b>	<b>1,348,142,663</b>
<b>Total</b>		<b>2,487,274,225</b>	<b>2,348,027,275</b>

Significant accounting policy 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 and on behalf of the Executive Committee

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

Ashok G Rajani  
Chairman

Narendra Goenka  
Chairman (F&B)

Vijay Mathur  
Additional Secretary General

Vidur Puri  
Partner  
Membership no : 90163

Sanjiv Malhotra  
Secretary

Kundan Srivastava  
General Manager-Finance

Place : Mumbai  
Dated :17.08.2016



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

**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31st MARCH, 2016**

Particulars	Note No.	Year ended 31st March 2016 (₹)	Year ended 31st March 2015 (₹)
<b>Income</b>			
Income from operations	12	309,257,992	263,180,246
Other income	13	450,456,273	389,008,904
<b>Total Income</b>		<b>759,714,265</b>	<b>652,189,150</b>
<b>Expenses</b>			
Employee benefits expense	14	129,998,506	105,491,798
Finance costs	15	11,617,752	9,127,542
Depreciation and amortization expense	16	42,623,125	61,600,368
Other expenses	17	34,58,31,712	322,361,344
<b>Total Expenses</b>		<b>53,00,71,095</b>	<b>498,581,052</b>
<b>Surplus before tax</b>		<b>22,96,43,170</b>	<b>153,608,098</b>
<b>Tax expense</b>			
Current year		-	-
Earlier Years Taxes		-	(69,203,671)
<b>Total tax expenses</b>		<b>-</b>	<b>(69,203,671)</b>
<b>Surplus for the year</b>		<b>22,96,43,170</b>	<b>222,811,769</b>

Significant accounting policy 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)

Vijay Mathur  
Additional Secretary General

Vidur Puri  
Partner  
Membership no : 90163

Sanjiv Malhotra  
Secretary

Kundan Srivastava  
General Manager-Finance

Place : Mumbai  
Dated :17.08.2016

**APPAREL EXPORT PROMOTION COUNCIL**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

PARTICULARS	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
<b>A Cash Flow From Operating Activities :</b>		
Excess Of Income Over Expenditure Before Tax	229,643,170	153,608,098
Adjustment For :		
Depreciation/Amortisation	42,623,125	61,600,368
(Profit)/Loss On Sale Of Fixed Assets	-	(442,756)
Provision For Service Tax & Others	9,477,741	8,918,687
Sundry Credit Balance Written Back	(62,361)	(8,469,604)
Interest Income	(113,973,335)	(107,437,145)
Operating Income Before Working Capital Changes	167,708,340	107,777,648
(Increase)/Decrease In Trade Receivables	(2,761,036)	839,489
(Increase)/Decrease In Loans & Advances and Other Assets	6,151,311	(22,531,164)
Increase/(Decrease) In Trade Payables and other Liabilities	(87,808,017)	9,609,196
Cash Generated From Operations	83,290,598	95,695,169
Income Tax Paid (Net Of Income Tax Refund)	(27,835,558)	(23,065,692)
Net Cash From Operating Activities ( A )	55,455,040	72,629,477
<b>B. Cash Flows From Investing Activities</b>		
Purchase Of Fixed Assets (Including CWIP)	(2,116,302)	(14,662,727)
Proceeds From Sale Of Fixed Assets	-	583,501
Interest Received	113,973,335	107,437,145
Redemption/Maturity Of Bank Deposits Or (Investment) In Bank Deposits	(137,788,380)	(196,214,407)
Net Cash (Used) / Raised From Investing Activities ( B )	(25,931,347)	(102,856,488)
<b>C. Cash Flow From Financing Activities</b>		
Entrance Fee Received	1,186,000	1,245,000
Net Cash Used In Financing Activities ( C )	1,186,000	1,245,000
Net Increase In Cash & Cash Equivalents (A+B+C)	30,709,693	(28,982,011)
Cash & Cash Equivalents As At 31.03.2015 (Refer Note 11 for components of Cash & Cash Equivalents)	38,315,132	67,297,143
Cash & Cash Equivalents As At 31.03.2016 (Refer Note 11 for components of Cash & Cash Equivalents)	<b>69,024,825</b>	<b>38,315,132</b>

**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)

Vijay Mathur  
Additional Secretary General

Vidur Puri  
Partner  
Membership no : 90163

Sanjiv Malhotra  
Secretary

Kundan Srivastava  
General Manager-Finance

Place : Mumbai  
Dated :17.08.2016



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

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 2 Reserves &amp; Surplus</b>		
<b>Capital Fund</b>	<b>4,200,000</b>	<b>4,200,000</b>
<b>Building Reserve Fund*</b>		
Balance as per the last financial statements	329,700,000	329,700,000
Add: Transferred from building Fund during the year		
<b>Sub-Total</b>	<b>329,700,000</b>	<b>329,700,000</b>
<b>Capital Asset Fund-Govt Grant</b>		
<b>a) Non Depreciable Assets</b>		
Balance as per the last financial statements	129,593,582	129,593,582
<b>Sub-Total</b>	<b>129,593,582</b>	<b>129,593,582</b>
<b>b) Depreciable Assets</b>		
Balance as per the last financial statements	132,478,561	161,809,994
Add: Transferred/Adjusted during the year	4,384	-
Less: Depreciation provided during the year	13,193,967	29,331,433
<b>Sub-Total</b>	<b>119,288,978</b>	<b>132,478,561</b>
<b>Entrance Fees</b>		
Balance as per the last financial statements	67,743,510	66,498,510
Add: Received during the year	1,186,000	1,245,000
<b>Sub-Total</b>	<b>68,929,510</b>	<b>67,743,510</b>
<b>Building Repairs Replacement Fund</b>		
Balance as per the last financial statements	30,000,000	20,000,000
Add: Transferred from I&E statement during the year	10,000,000	10,000,000
<b>Sub-Total</b>	<b>40,000,000</b>	<b>30,000,000</b>
<b>Capital Assets Fund</b>		
Balance as per the last financial statements	55,000,000	-
Add: Transferred from I&E statement during the year	107,000,000	55,000,000
<b>Sub-Total</b>	<b>162,000,000</b>	<b>55,000,000</b>
<b>Surplus in the statement of Income &amp; Expenditure</b>		
Balance as per the last financial statements	516,274,619	349,069,393
Add: Surplus for the year	229,643,170	222,811,769
Less: Transferred to building repairs fund	10,000,000	10,000,000
Less: Transferred to capital assets fund	107,000,000	55,000,000
Add: Previous Year Adjustment	-	9,393,457
<b>Net Surplus in the statement of Income &amp; Expenditure</b>	<b>628,917,789</b>	<b>516,274,619</b>
<b>Total reserves and surplus</b>	<b>1,482,629,859</b>	<b>1,264,990,272</b>

\*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, 2016**

Particulars	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 3 Other long term liabilities</b>		
Security deposit -Office Premises	24,320,982	8,811,368
Security deposits- Show Rooms	110,178,631	111,989,889
OTS Premium payable	216,445	216,445
Advance Received for Subscription	3,315,744	3,266,744
<b>Total</b>	<b>138,031,802</b>	<b>124,284,446</b>

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Long-term		Short-term	
	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 4 Provisions</b>				
<b>Provision for employee benefits</b>				
Ex-Gratia	-	-	8,143,216	6,646,186
Medical Leave Encashment	7,682,180	5,609,875	124,267	-
Earned Leave Encashment	25,907,321	15,871,859	441,734	178,547
Gratuity	6,814,481	1,591,772	1,433,579	-
Bonus	-	-	500,078	-
<b>Sub-Total</b>	<b>40,403,982</b>	<b>23,073,506</b>	<b>10,642,874</b>	<b>6,824,733</b>
<b>Other provisions</b>				
Provision for property tax	-	-	-	4,825,999
Provision for Service Tax	-	-	36,267,752	98,193,916
Provision for DISHA Facilitators	-	-	9,483,614	9,483,614
Provision for Assessing Activities	-	-	2,429,709	2,241,361
Sub-Total	-	-	<b>48,181,075</b>	<b>114,744,890</b>
<b>Total</b>	<b>40,403,982</b>	<b>23,073,506</b>	<b>58,823,949</b>	<b>121,569,623</b>



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

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 5 Trade payable</b>		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	43,405,229	36,145,970
<b>Total</b>	<b>43,405,229</b>	<b>36,145,970</b>

**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, 2016	31st March, 2015
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, 2016**

Particulars	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 6 Other current liabilities</b>		
Security deposits	3,070,028	1,557,988
Security deposit -Office Premises	5,237,118	18,956,863
Security deposits- Show Rooms	-	15,707,948
Penalties & EMD Forfeited	12,836,671	10,025,000
Taxes payable **	5,060,329	5,211,437
Other payables*	12,850,483	12,124,211
Advance Received for EP Activities	11,445,691	17,349,539
Advance Received for Subscription	17,600,596	14,067,415
Advance Received for Council Charges	7,895,553	5,098,697
Advance Received for Assessing Activities	8,229,580	7,416,989
Earnest Money Deposits (Refer Note No. 21)	485,422,944	486,240,580
AEPC- Showroom Security Deposit Refundable	763,010	550,937
Unutilised Grant received from govt	4,622,271	38,224,472
EMD PDC Forfeited-Dishonoured	136,583,008	137,617,668
MDA Fund for Exporter - Unutilised	10,805,628	7,187,450
Due to Executive Committee members	1,556,494	626,264
<b>Total</b>	<b>723,979,404</b>	<b>777,963,458</b>

\* 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 2016

**Note 7 Fixed Asset**

**A. TANGIBLE ASSETS**

Particulars	Land#	Office Premises*	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
<b>Original Cost-Gross Block</b>										
At 1st April 2014	64,750,534	521,345,569	38,286,677	29,768,731	32,854,865	42,826,841	13,554,483	14,243,175	2,042,231	759,673,106
Additions	-	2,952,320	33,265,813	1,642,898	443,018	2,107,188	6,778,611	898,486	-	48,088,334
Disposal/Adjustment	-	-	-	-	-	-	2,418,603	-	-	2,418,603
<b>At 31st March 2015</b>	<b>64,750,534</b>	<b>524,297,889</b>	<b>71,552,490</b>	<b>31,411,629</b>	<b>33,297,883</b>	<b>44,934,029</b>	<b>17,914,491</b>	<b>15,141,661</b>	<b>2,042,231</b>	<b>805,342,837</b>
Additions	-	120,000	-	654,858	-	-	-	1,341,444	-	2,116,302
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st March 2016</b>	<b>64,750,534</b>	<b>524,417,889</b>	<b>71,552,490</b>	<b>32,066,487</b>	<b>33,297,883</b>	<b>44,934,029</b>	<b>17,914,491</b>	<b>16,483,105</b>	<b>2,042,231</b>	<b>807,459,139</b>
<b>Depreciation</b>										
At 1st April 2014	-	245,885,092	27,510,182	18,502,463	22,663,045	25,173,465	9,301,389	10,275,851	1,194,417	360,505,904
Charge for the year	-	20,952,385	11,564,553	8,848,561	4,191,175	8,467,539	2,522,974	3,912,156	673,189	61,132,532
Deduction/Adjustment	-	-	-	-	-	-	2,277,858	-	-	2,277,858
<b>At 31st March 2015</b>	<b>-</b>	<b>266,837,477</b>	<b>39,074,735</b>	<b>27,351,024</b>	<b>26,854,220</b>	<b>33,641,004</b>	<b>9,546,505</b>	<b>14,188,007</b>	<b>1,867,606</b>	<b>419,360,578</b>
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	-	-	-	-	-	-	-	-	-	-
<b>At 31st March 2016</b>	<b>-</b>	<b>286,175,010</b>	<b>47,601,747</b>	<b>29,774,645</b>	<b>29,377,850</b>	<b>38,378,469</b>	<b>13,342,157</b>	<b>15,036,313</b>	<b>1,993,249</b>	<b>461,679,440</b>
<b>Net Block</b>										
<b>At 31st March 2015</b>	<b>64,750,534</b>	<b>257,460,412</b>	<b>32,477,755</b>	<b>4,060,605</b>	<b>6,443,663</b>	<b>11,293,025</b>	<b>8,367,986</b>	<b>953,654</b>	<b>174,625</b>	<b>385,982,259</b>
<b>At 31st March 2016</b>	<b>64,750,534</b>	<b>238,242,879</b>	<b>23,950,743</b>	<b>2,291,842</b>	<b>3,920,033</b>	<b>6,555,560</b>	<b>4,572,334</b>	<b>1,446,792</b>	<b>48,982</b>	<b>345,779,699</b>

\* 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 2016**

**Note 7..... Contd.**

<b>B. INTANGIBLE ASSETS</b>		
Particulars	Computer Software	Total
<b>Original Cost-Gross Block</b>		
At 1st April 2014	2,334,561	2,334,561
Additions	1,379,228	1,379,228
Disposal/Adjustment	-	-
At 31st March 2015	3,713,789	3,713,789
Additions	-	-
Disposal/Adjustment	-	-
At 31st March 2016	3,713,789	3,713,789
<b>Amortisation</b>		
At 1st April 2014	1,054,324	1,054,324
Charge for the year	467,837	467,837
Deduction/Adjustment	-	-
At 31st March 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
<b>Net Block</b>		
At 31st March 2015	2,191,628	2,191,628
At 31st March 2016	1,887,367	1,887,367

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

Notes to financial statements for the year ended 31st March 2016

Note 7 Contd...

**(a) ASSETS GIVEN ON LEASE**

**Assets Purchased Against Grant Received from Government**

Particulars	Land	Office Premises	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
<b>Original Cost-Gross Block</b>										
At 1st April 2014	-	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	-	-	-	-	-	-	-	-	-	-
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st March 2015</b>	-	<b>36,589,493</b>	<b>48,545,234</b>	<b>4,145,007</b>	<b>2,153,727</b>	<b>16,446,229</b>	-	<b>14,595,141</b>	<b>2,555,152</b>	<b>125,029,983</b>
Additions	-	-	-	272	4,112	-	-	-	-	4,384
Disposal/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st March 2016</b>	-	<b>36,589,493</b>	<b>48,545,234</b>	<b>4,145,279</b>	<b>2,157,839</b>	<b>16,446,229</b>	-	<b>14,595,141</b>	<b>2,555,152</b>	<b>125,034,367</b>
<b>Depreciation</b>										
At 1st April 2014	-	27,767,279	45,643,404	4,024,437	2,128,432	14,824,471	-	14,356,299	2,400,934	111,145,256
Charge for the year	-	576,286	742,719	79,663	16,284	1,149,853	-	92,891	128,666	2,786,362
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st March 2015</b>	-	<b>28,343,565</b>	<b>46,386,123</b>	<b>4,104,100</b>	<b>2,144,716</b>	<b>15,974,324</b>	-	<b>14,449,190</b>	<b>2,529,600</b>	<b>113,931,618</b>
Charge for the year	-	538,618	539,464	-	2,753	232,277	-	-	-	1,313,112
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
<b>At 31st March 2016</b>	-	<b>28,882,183</b>	<b>46,925,587</b>	<b>4,104,100</b>	<b>2,147,469</b>	<b>16,206,601</b>	-	<b>14,449,190</b>	<b>2,529,600</b>	<b>115,244,730</b>
<b>Net Block</b>										
At 31st March 2015	-	8,245,928	2,159,111	40,907	9,011	471,905	-	145,951	25,552	11,098,365
At 31st March 2016	-	7,707,310	1,619,647	41,179	10,370	239,628	-	145,951	25,552	9,789,637



**APPAREL EXPORT PROMOTION COUNCIL**

**(LIMITED BY GUARANTEE)**

**Notes to financial statements for the year ended 31st March 2016**

**Note 7 Contd...**

**(b) OTHER FIXED ASSETS**  
**Assets Purchased Against Grant Received from Government**

Particulars	Land	Office Premises *	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
<b>Original Cost-Gross Block</b>										
At 1st April 2014	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 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
<b>Depreciation</b>										
At 1st April 2014	-	151,887,515	69,879,765	42,950,515	67,152,991	24,424,685	-	63,974,141	-	420,269,612
Charge for the year	-	7,825,335	6,875,006	3,906,458	4,007,696	3,923,239	-	7,338	-	26,545,072
Deduction/Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 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
<b>Net Block</b>										
At 31st March 2015	129,593,582	106,338,748	5,769,486	473,303	3,456,123	2,264,157	-	32,028	-	247,927,427
At 31st March 2016	129,593,582	99,049,838	4,468,535	473,303	1,600,389	828,895	-	32,028	-	236,046,571
<b>Grand Total - Depreciation</b>										
For Year ending 31st March 2015	-	29,354,006	19,182,278	12,834,682	8,215,155	13,540,631	2,522,974	4,012,385	801,855	90,463,966
For Year ending 31st March 2016	-	27,165,061	10,367,427	2,423,621	4,382,116	6,405,004	3,795,652	848,306	125,643	55,512,831
* 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										
<b>Grand Total - Net block</b>										
At 31st March 2015	194,344,116	372,045,088	40,406,352	4,574,815	9,908,797	14,029,087	8,367,986	1,131,633	200,177	645,008,051
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

Consequent to the adoption of the revised estimation of the useful life of the fixed assets of the Company as stipulated in Schedule II of the Companies Act 2013 with effect from 1st April 2014, the depreciation for the previous year is higher by Rs. 82,29,777/-.





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

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Non-current		Current	
	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 8 Loans and advances</b> (Unsecured, considered good unless otherwise stated)				
<b>Security Deposits</b>	<b>2,916,907</b>	<b>2,925,200</b>	-	-
<b>Sub-Total</b>	<b>2,916,907</b>	<b>2,925,200</b>	-	-
<b>Loans and advances to related parties (Refer Note 36)</b>	-	-	<b>3,929,043</b>	<b>2,981,219</b>
<b>Sub-Total</b>	-	-	<b>3,929,043</b>	<b>2,981,219</b>
<b>Other loans and advances</b>				
Advance recoverable in cash or kind				
a) Considered Good	-	4,059,968	34,243,891	49,413,367
b) Considered Doubtful	1,966,339	3,910,640	-	-
Less: Provision for Doubtful	(1,966,339)	(3,910,640)	-	-
Earnest Money Deposit -FDR	-	-	3,485,558	3,893,010
Earnest Money Deposit PDC-Recoverable				
a) Considered Good	-	-	-	-
b) Considered Doubtful	136,583,008	137,617,668	-	-
Prepaid expenses	-	-	4,461,778	3,464,062
Balance with Service tax authorities	-	-	-	1,132,789
Advance income tax	201,620,186	173,784,628	-	-
<b>Sub-Total</b>	<b>338,203,194</b>	<b>315,462,264</b>	<b>42,191,227</b>	<b>57,903,228</b>
<b>Total</b>	<b>341,120,101</b>	<b>318,387,464</b>	<b>46,120,270</b>	<b>60,884,447</b>

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Non-current		Current	
	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 9 Other assets</b> (Unsecured, considered good unless otherwise stated)				
Other Recievable	616,949	616,949	45,646,998	30,367,558
Interest accrued on bank fixed deposits	-	-	22,918,284	18,122,779
Grant receivable	-	-	37,923,749	45,135,287
AEPC- Showroom Maintenance charges recievable	-	-	6,625,525	8,320,300
Other Income receivable	-	-	-	4,282
Due from executive committee members	-	-	-	256,211
Deposit with LIC	36,488,167	33,680,520	-	-
<b>Total</b>	<b>37,105,116</b>	<b>34,297,469</b>	<b>113,114,556</b>	<b>102,206,417</b>
<b>Other receivables include</b>				
Dues from Society in which the company's Executive commitee members are office bearers	-	-	36,819	-
<b>Total</b>	-	-	<b>36,819</b>	-

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

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 10 Trade receivables</b>		
<b>(Unsecured, considered good)</b>		
Receivables outstanding for a period exceeding six months from the date they are due for payment	545,350	253,078
Receivables outstanding - Others	6,620,733	4,151,969
<b>Total</b>	<b>7,166,083</b>	<b>4,405,047</b>

**Notes to financial statements for the year ended 31st March, 2016**

PARTICULARS	Non-current		Current	
	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)	AS AT 31st March, 2016 (₹)	AS AT 31st March, 2015 (₹)
<b>Note 11 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
a) Current Accounts	-	-	-	-
b) Saving Accounts				
(i) General	-	-	43,880,614	17,041,519
(ii) Export Promotion Fund	-	-	11,860,219	11,335,711
(iii) Other Savings*	-	-	13,253,612	9,893,800
Cash on hand	-	-	30,380	44,102
Sub Total	-	-	69,024,825	38,315,132
Other bank balances				
On Council's Deposits				
Fixed deposits with original maturity for more than 3 months and less than 12 months	-	-	1,280,120,000	1,142,331,620
Fixed deposits with original maturity for more than 12 months	-	-	-	-
Sub Total	-	-	1,280,120,000	1,142,331,620
Total	-	-	1,349,144,825	1,180,646,752

\* 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, 2016**

Particulars	Year ended 31st March, 2016 (₹)	Year ended 31st March, 2015 (₹)
<b>Note 12 Income from operations</b>		
Membership Subscription	60,022,987	56,602,997
Council Fees	68,921,603	58,242,203
Other Income ( Refer note 18)	180,313,402	148,335,046
<b>Total</b>	<b>309,257,992</b>	<b>263,180,246</b>

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Year ended 31st March, 2016 (₹)	Year ended 31st March, 2015 (₹)
<b>Note 13 Other income</b>		
Interest income		
- Bank	112,359,674	106,331,385
- Others - from employees and tax refund	1,613,661	1,105,760
Profit on sale of fixed Assets	-	442,756
Rent	113,414,339	119,671,658
Participation Forfeiture (Refer Note 18)	1,435,995	1,816,791
Assessing Centre	17,176,705	30,804,280
Revenue Grant from Government for export expenses (Refer Note 18)	106,850,111	113,634,518
Sundry credit balances no longer required written back	62,361	8,469,604
Other non-operating income including miscellaneous income	13,515,671	6,732,152
Provision no longer required written back	84,027,756	-
<b>Total</b>	<b>450,456,273</b>	<b>389,008,904</b>

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Year ended 31st March, 2016 (₹)	Year ended 31st March, 2015 (₹)
<b>Note 14 Employee benefits expense</b>		
Salaries, Wages and Allowances	112,877,332	93,682,992
Contribution to Provident and Other Funds	13,498,347	7,174,524
Employees Welfare Expenses	3,622,827	4,634,282
<b>Total</b>	<b>129,998,506</b>	<b>105,491,798</b>

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Year ended 31st March, 2016 (₹)	Year ended 31st March, 2015 (₹)
<b>Note 15 Finance costs</b>		
Bank and Other Finance Charges	938,202	53,595
Interest On Service Tax Liability	10,679,550	9,073,947
<b>Total</b>	<b>11,617,752</b>	<b>9,127,542</b>

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

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Year ended 31st March, 2016 (₹)	Year ended 31st March, 2015 (₹)
<b>Note 16 Depreciation and amortization expense</b>		
Depreciation of tangible assets	55,512,831	90,463,964
Amortization of intangible assets	304,261	467,837
	<b>55,817,092</b>	<b>90,931,801</b>
Less: Transferred to Capital Assets Fund	13,193,967	29,331,433
<b>Total</b>	<b>42,623,125</b>	<b>61,600,368</b>

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Year ended 31st March, 2016 (₹)	Year ended 31st March, 2015 (₹)
<b>Note 17 Other expenses</b>		
Export promotion expenses ( Refer Note 18 )	254,880,102	240,343,486
Power and Fuel	13,071,466	14,159,257
Rent	260,625	246,015
Rates and taxes	3,765,792	3,223,209
Insurance	824,278	1,449,766
Meeting Expenses	11,909,821	7,029,105
Repair and maintenance - Buildings	1,817,028	1,446,892
Repair and maintenance - Plant & Machinery	4,050,063	7,176,191
Repair and maintenance - Others	8,379,554	7,052,142
Travelling, Conveyance and Vehicle expenses	6,248,144	6,626,627
Communication & Postage Expenses	3,031,384	2,912,880
Printing & Stationery Expenses	2,042,499	2,578,334
Legal & Professional Fees	10,214,879	6,585,314
Security Charges	5,219,141	5,249,930
Business Promotion	2,445,093	1,299,433
Courier & Forwarding Expenses	752,318	594,488
Advertising & Publicity	595,712	221,043
Auditors remuneration ( Refer Note 27 )	944,143	585,300
Prior period expenses ( Refer Note 29 )	1,392,393	96,208
Miscellaneous Expenses	230,176	871,774
Assessing Centre - MES Scheme	2,179,360	3,695,263
Provision for Service Tax	9,477,741	8,918,687
Contribution for CSR Expenditure	2,100,000	-
<b>Total</b>	<b>345,831,712</b>	<b>322,361,344</b>



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

**Notes to financial statements for the year ended 31st March, 2016**

Particulars	Year ended 31st March, 2016 (₹)	Year ended 31st March, 2015 (₹)
<b>Note 18 Export promotion expenses</b>		
Overseas Expenses		
Foreign Exhibition Expenses	111,165,398	107,930,228
Foreign Delegation Expenses	8,199,872	9,223,451
Domestic Fairs		
Trade Fairs	3,002,805	2,920,881
Tex Trends Fair / IIGF Fair	113,705,845	92,581,373
Source Zone Fair	17,273	179,792
India Market Days Fair	-	4,374,188
Apparel Education & Training	5,830,796	9,338,296
Seminar & Workshop	783,271	451,701
Other Export Promotion Expenses		
Magazine & Publicity Material	1,568,006	2,201,616
Disha Common Compliance Code	2,609,794	5,857,946
Economic & Consultancy Activities	9,163	67,673
Sponsorship	-	1,200,000
Duty Draw Back	2,217,900	2,335,094
Innovative Garment Technology Mission -IGTM	-	295,000
Contribution to CII for Joint Study	5,025,000	-
Other	744,979	1,386,247
<b>TOTAL(1)</b>	<b>254,880,102</b>	<b>240,343,486</b>
Less: Contribution Received		
Foreign Exhibition	80,565,000	89,120,000
Domestic Fairs:		
Tex Trends Fair / IIGF Fair	98,101,493	56,030,350
Magazine & Publicity Material	4,290	1,513,051
Disha	1,275,656	1,000
Others	366,963	1,670,645
	<u>180,313,402</u>	<u>148,335,046</u>
Participation Forfeiture	1,435,995	1,816,791
Revenue Grant from Government: (Refer note No. 25)		
For Overseas Events	40,500,746	31,268,611
For Domestic Events & DISHA	66,349,365	81,804,420
For Training Activities	-	561,487
<b>TOTAL(2)</b>	<b>288,599,508</b>	<b>263,786,355</b>
<b>TOTAL(1-2)</b>	<b>(33,719,406)</b>	<b>(23,442,869)</b>

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

**Notes to financial statements for the year ended 31st March, 2016**

**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.

**1.2 Use of Estimates:** The preparation of the financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future 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 its useful life 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.
- g) **Component Accounting:** The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather a single useful life rate/depreciation rate was used to depreciate each item of fixed asset. Due to application of component accounting of Schedule II to the Companies Act, 2013 becoming mandatory during the year, the Company has changed the manner of depreciation. Now, the Company identifies and determines separate useful life of each major component of the fixed asset, if they have useful life that is materially different from that of the original asset. This change in accounting policy did not have any impact on financial statements of the Company for the current year.

#### **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

period up to date of maturity.

#### **1.6 Revenue Recognition:**

- a) Income from operations 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.

#### **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) Transactions for refunds in Foreign Exchange are accounted for as per amounts actually realized.
- c) 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. Contingent liabilities are disclosed in the notes.

### **1.12 Lease:**

#### **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 acknowledge as debts;

- a) 1,42,00,000/- (Previous Year 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) and the ITAT decided the matter in favour of the Council for Assessment Year 2009-10 & 2010-11. Considering the favorable order of CIT (A) & ITAT 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) 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/-.

- d) 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 –

- (i) Rent of Rs. 43,19,00,000/- was earned from premises acquired with no Government Grant.
- (ii) 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 advise, no provision is considered necessary.

- e) The Council has 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 is pending disposal, no liability has been provided for any additional remuneration.

- 19.2 Comptroller and Auditor General of India

(CAG) has 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 during the year for the year 2003-04 to 2014-15 covering all aspects of functioning special emphasis on the Government Grants. The Comptroller and Auditor General of India(CAG) and Chief Controller of Accounts (CCA), in various audit memos has raised issues with regard to non-compliance of certain guidelines, tendering process and other observations which have been responded by the Council. Further action and the financial impact if any will be ascertained after communication from Comptroller and Auditor General of India / Chief Controller of Accounts, or concerned Ministry.

#### Note No. 20

##### Other Commitments:

- a) The Council in view of pending litigation, has not accounted a sum of Rs.7,10,51,709/- excluding RLA cases (Previous Year Rs. 8,29,96,349/- excluding RLA cases) pending based on data as on 31.03.2016, 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 31.03.16	as on 31.03.16	as on 31.03.15	as on 31.03.15
	Nos.		Nos.	
Bank	22	62,71,832	28	89,73,653
TXC	2	65,35,536	1	20,68,716
Ministry	4	14,32,340	12	1,82,39,153

Court	144	5,68,12,001	136	5,37,14,827
Total	172	7,10,51,709	177	8,29,96,349

Apart from the above cases, there are 1938 cases where forfeiture amount of Rs.72,45,81,821/- (approx.) previous year 1902 cases Rs.72,54,74,650/- (approx.) have been referred to Regional Licensing Authorities. (RLAs).

#### Note No. 21

EMD Liability: The Council being a Quota Implementation Agency collected Earnest Money Deposit (EMD) from the Indian Exporters against Quota allotment. The Quota system was abolished in 2004 and since 2005 the Council is acting a custodian for such EMD's and being dealt under Quota Residual Matters being headed by a Quota Administering Authority (QAA) appointed by the Ministry of Textiles as per Garment Exporter Entitlement Policy (2004).

As on 31.03.2015, an amount of Rs. 48,62,40,580/- was shown as Earnest Money Deposits (EMD) which included exporter's deposits in the form of drafts, fixed deposits, interest earned on fixed deposits encashment, Stale Cheques of returned EMD etc. The Union Government of India, through Ministry of Textiles had issued the Gazette Notification S.O. No. 8/3/2015-EP dated 2nd November, 2015. Based on the Gazette Notification, the QAA passed an order No. AEPC/HO/QRM/2016/362 dated 24/02/2016 for forfeiture to AEPC instead of specific exporter of the aforesaid EMD of Rs. 48,42,80,968/- along with the entire interest earned/ accrued on it since the date of submission of these EMDs with Council till the date of payment of the amount, in favour of the Government to be deposited in the Consolidated Fund of India (CFI). Up to 31.03.2016 the QAA has released an amount of Rs. 8,00,362/- for which amendment to order no. AEPC/HO/QRM/2016/362 dated 24.02.2016 has not been issued by QAA. The Council has also since deposited Rs. 20,00,00,000/- in subsequent year and has represented the matter to the Ministry. The interest payable on the aforesaid amount on forfeiture has been provided as abundant precaution from the date of forfeiture. Considering



the past practice and the legal opinion, no further outflow is expected.

#### Note No. 22

A Member has 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. 23

Due to introduction of negative list in 2012 the Grants received by the Council from Government of India for organizing/conducting events in India are brought in to the tax net. Based on the legal opinion, 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 is making further representations to the Government for issuing clarification in this regards and also obtaining fresh opinion from the legal

expert, therefore the deposit of total tax liability till 31st March 2016 is deferred.

#### Note No. 24

Penalties and Earnest Money Forfeited of Rs.1,08,73,011/- (Previous year Rs.1,00,25,000/-) and interest of Rs. 19,63,660/- 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.

#### Note No. 25

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:

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	Recoverable				Liability	Recoverable
1	<b>MAI Grants:</b>	₹	₹	₹	₹	₹	₹	₹
	EP Projects- MAI Overseas & Domestic)	21,18,355	4,01,72,623	12,38,45,045	37,21,666	10,68,50,111	21,82,000	2,69,63,000
2	<b>Other Grants :</b>							
	MDA Code Activities	Nil	Nil	37,50,000	31,00,000	Nil	6,50,000	Nil
	DISHA	3,43,39,054	Nil	24,53,910	3,67,92,964	Nil	Nil	Nil
	Establishment of Five Apparel Training Center in Bihar	2,61,305	Nil	11,208	12,000	Nil	2,84,513	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	49,62,664	Nil	Nil	59,98,085	Nil	1,09,60,749
	<b>Total</b>	<b>3,82,24,472</b>	<b>4,51,35,287</b>	<b>13,00,60,163</b>	<b>4,36,26,630</b>	<b>11,28,48,196</b>	<b>46,22,271</b>	<b>3,79,23,749</b>

- b) The expenditure for DISHA project consist of Rs.24,53,910/-on unutilized grants reported in note no. 18 and the additional following expenses debited to the natural accounting heads;

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salary & Staff Benefits	Nil	40,15,413
Total	Nil	40,15,413

The unutilized DISHA Grant of Rs. 2,86,15,878/- along with due interest Rs. 81,77,086/- total Rs. 3,67,92,964/- has been refunded to the Ministry of Textiles. The participation fee of Rs. 25,000/- per participant earlier collected from DISHA applicants, where programme has not yet started, has been refunded to the concerned exporters.

#### Note No. 26

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

Description	Current Year (Rs.)	Previous Year (Rs.)
Expenditure on Travel, Delegations, Trade Fairs, Seminars, Market Study, and Publicity etc.	9,87,26,292	12,93,31,045
Total	9,87,26,292	12,93,31,045

#### Note No. 27

Auditor's Remuneration includes:

Description	Current Year (Rs.)	Previous Year (Rs.)
<b>As Auditors</b>		
Audit Fees (Excluding Service Tax)	4,38,900	3,99,300
Audit Fee-Internal Finance Control (Excluding Service Tax)	1,25,000	-
Taxation Matters	3,78,797	1,96,124
Out of Pocket Expenses	1,446	-
Total	944,143	5,95,424

#### Note No. 28

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 (Rs.)	Previous Year (Rs.)
Opening Balance	71,87,450	1,35,59,317
Funds Received during the year (Including Interest)	41,73,178	33,37,358
<b>Total</b>	<b>1,13,60,628</b>	<b>1,68,96,675</b>
Less: Amount disbursed/ refunded during the year	5,55,000	97,09,225
<b>Closing Balance</b>	<b>1,08,05,628</b>	<b>71,87,450</b>

#### Note No. 29

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

Sl. No	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	EP Activity	9,30,420	-
2	Repairs & Maintenance	4,18,402	62,500
3	Assessing Activity	38,729	-
4	Others	4,842	33,708
	Total	13,92,393	96,208

#### Note No. 30

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 entire income 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. 31

### 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)	68,42,294		51,40,048					
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 2013-14.			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	3,42,52,033	2,98,13,420	1,60,50,406	1,21,79,665	56,09,875	70,00,180		
	(b) Current Service Cost	13,94,175	18,84,267	16,71,979	9,73,373	-	3,25,967		
	(c) Interest Cost	27,40,163	23,85,074	12,84,032	9,74,373	4,48,790	5,60,014		
	(d) Actuarial (Gain)/Loss	65,41,825	1,69,272	73,47,238	25,70,855	17,47,782	(22,76,286)		
	(e) Benefits Paid	(3,81,672)	-	(4,601)	(6,48,300)	-	-		
	(f) Obligation as at the end 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		
(2)	Change in Plan Assets (Reconciliation of Opening and Closing balances):								
	(a) Fair value of plan asset as at the beginning of the year	3,26,60,261	2,95,78,265	3,36,80,520	3,12,55,238	-	-		
	(b) Actual return of plan assets	26,94,962	26,62,779	28,12,248	28,11,970	N/A	N/A		
	(c) Contribution	13,24,914	4,30,060	-	2,61,612		-		
	(d) Benefits paid	(3,81,672)	-	(4,601)	(6,48,300)		-		
	(e) Charges deducted	-	(10,843)	-	-	-	-		
	(f) Fair value of plan assets as at the end of the year	3,62,98,464	3,26,60,261	3,64,88,167	3,36,80,520		-		
(3)	Reconciliation of obligation & plan Assets:								
	(a) Present Value of obligation as at the end 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) Fair Value of Plan Assets as at the end of the year	3,62,98,464	3,26,60,261	3,64,88,167	3,36,80,520		-		
	(c) Assets/ (Liabilities) recognized in the Balance Sheet	(82,48,060)	(15,91,772)	1,01,39,112	1,76,30,114	(78,06,447)	(56,09,875)		
	(d) Assets/ (Liabilities) Not recognized in the Balance Sheet	-	-	-	-	-	-		
(4)	Expenses recognized during the year:								
	(a) Current Service Cost	13,94,175	18,84,267	16,71,979	9,73,813	-	3,25,967		
	(b) Interest Cost	27,40,163	23,85,074	12,84,032	9,74,373	4,48,790	5,60,014		
	(c) Expected Return on Plan Assets	(26,12,821)	(25,88,098)	26,94,442	28,12,971		-		
	(d) Actuarial Gain/Loss recognized during the period	64,59,685	94,591	72,29,432	25,71,856	17,47,782	(22,76,286)		
	(e) Expenses/(Income) recognized during the Year in the I&E	79,81,202	17,75,834	74,91,002	17,07,071	21,96,572	(13,90,305)		
(5)	Assumption:								
	(a) Discount Rate (p.a.)	7.60%	8.00%	7.60%	8.00%	7.60%	8.00%		
	(b) Expected Rate of Return on Planned Assets (p.a.)	8.00%	8.75%	8.00%	9.00%	N/A	N/A		
	(c) Rate of Escalation in Salary (p.a.)	10.00%	6.00%	10.00%	6.00%	10.00%	6.00%		
	(d) Average remaining Working Lives of Employees( years)	16.24	8.96	15.64	12.80	12.36	12.80		
(6)	Experience Adjustments:								
	Experience Adjustment loss/(Gain)-Plan	-	-	-	(7,02,241)	-	-		
	Experience Adjustment loss/(Gain)-Obligations	65,41,825	1,69,272	73,47,238	25,70,855	17,47,782	(22,76,286)		

(7) Reconciliation of fair value of assets and obligations for the past years:	31st March 2014			31st March 2013			31st March 2012		
	Gratuity ₹	EL ₹	ML ₹	Gratuity ₹	EL ₹	ML ₹	Gratuity ₹	EL ₹	ML ₹
Present Value of Obligation	2,98,13,420	1,21,79,665	70,00,180	2,46,66,943	1,00,73,683	66,60,506	2,07,81,086	93,62,279	52,75,004
Fair Value of Plan (Assets)	2,95,78,265	3,12,55,238	-	2,66,18,007	2,99,00,156	-	2,01,62,122	2,77,56,626	-
(Assets)/Liability Recognized in the Balance Sheet	2,35,155	1,90,75,573	(70,00,180)	(19,51,064)	1,98,26,473	(66,60,506)	(6,18,964)	1,30,75,580	(52,75,004)

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. 32

#### Leases:

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

#### Operating leases

Some of the terms of lease of office premises have an initial lock-in period. Lease receipts of Rs. 11,34,14,339/- (Previous Year Rs. 11,96,71,658/-) 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)	<ul style="list-style-type: none"> <li>Total of minimum lease payments receivable</li> <li>The total of minimum lease payments receivable for a period</li> <li>Not later than one year</li> <li>Later than one year and not later than five years</li> <li>Later than five years</li> </ul>	<p>6,84,47,816</p> <p>1,16,57,793</p> <p>Nil</p>	<p>81,80,636</p> <p>17,35,916</p> <p>Nil</p>

Lease expenses of Rs. 2,60,625/- (previous year Rs. 24,60,15/-) is recognized in Statement of Income & Expenditure.

### Notes No. 33

#### 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. 34

Expenditure on Corporate Social Responsibility (CSR)

- Gross amount required to be spent by the Council during the year ended 31 March, 2016 Rs. 13,92,539/- (previous year Rs. Nil).
- Amount spent during the year ended 31 March, 2016:





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	21,00,000/-	-	21,00,000/-
(Previous Year)	(-)	(-)	(-)

(c) Details of related party transactions:

S. No.	Transaction	Current Year ₹	Previous Year ₹
i.	Contribution during the year ended 31st March, 2016	Nil	Nil
ii.	Payable as at 31st March, 2016	Nil	Nil

### Notes No. 35

#### Provisions

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

Provisions	Opening Balance as at 01.04.2015	Additional provision made during the year	Utilized/reversed during the year	Closing Balance as at 31.03.2016
	₹	₹	₹	₹
Provision for Property Tax	48,25,999	-	48,25,999	-
(Previous Year)	(1,09,88,430)	(9,02,306)	(70,64,737)	(48,25,999)
Provision for Service Tax	9,81,93,916	2,01,57,291	8,20,83,455	3,62,67,752
(Previous Year)	(8,02,01,282)	(2,51,84,408)	(71,91,774)	(9,81,93,916)
Provision for Expenditure	1,17,24,975	1,88,348	-	1,19,13,323
(Previous Year)	(1,11,47,239)	(5,77,736)	(-)	(1,17,24,975)

### Notes No. 36

**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;

- Apparel Training & Design Centre (ATDC)

- AEPC society for Human Resource Development (IAM)

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

#### b) Key Management Personnel;

Chairman - Sh.Virender Uppal up to 31/12/2015

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
	₹	₹	₹	₹	₹	₹
<b>Transaction during the Year;</b>						
Lease Charges Received	33,84,132	38,02,404	Nil	4,34,988	Nil	Nil
Reimbursement of Expenses/ Contribution-paid	15,91,744	15,87,066	71,27,738	56,84,396	Nil	Nil
Reimbursement of Expenses/ Contribution -received	39,03,488	45,74,635	10,67,679	20,81,457	Nil	Nil
Assessment Charges Received (Non-MES)	82,074	Nil	Nil	Nil	Nil	Nil
Advance/Loan Given	Nil	Nil	Nil	Nil	Nil	Nil
Advance/Loan Refunded	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance at the end of the year:</b>						
Amount due to	Nil	Nil	Nil	Nil	Nil	Nil
Amount due From	36,00,900	13,26,737	3,62,103	16,51,623	2,859	2,859

**Notes No. 37**

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

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)

Vijay Mathur  
Additional Secretary General

Vidur Puri  
Partner  
Membership no : 90163

Sanjiv Malhotra  
Secretary

Kundan Srivastava  
General Manager-Finance

Place : Mumbai  
Dated :17.08.2016





**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 /Proxy)

I certify that I am a Member/Proxy for the Member of the Council

I hereby accord my presence, at the 37<sup>th</sup> Annual General Meeting of the Council held on 30th September, 2016, Friday 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 / Proxy)

**PROXY**  
**APPAREL EXPORT PROMOTION COUNCIL**

Sl. No.

CIN: U74899 DL 1978 NPL 008877

Regd.office: A-223, Okhla Industrial Area, Phase-1, New Delhi-110020

Name of the Member (s) (Firm/Company): -----

Membership No & Region:-----

Registered Address:-----

E-mail Id:-----

I / we, being the member (s) of Apparel Export Promotion Council, hereby appoint

1. Name of Person:-----Membership No-----of

M/s.-----

Address:-----

E-mail Id:-----

Signature-----, or failing him

2. Name of Person:-----Membership No-----of

M/s.-----

Address-----

E-mail Id:----- Signature-----, or failing him

3. Name of Person:-----Membership No-----of

M/s.-----

Address-----

E-mail Id:-----Signature-----

as my / our proxy to attend and vote (on a poll) for me / us and on resolutions (other than Election of Executive Committee Members of the council) at the 37<sup>th</sup> Annual General Meeting of the Council, to be held on 30.09.2016, Friday at 12.00 Noon at Niryat Bhawan (FIEO Office Building), Rao Tula Ram Marg, Opp. Army Hospital Research & Referral, New Delhi-110057 and at any adjournment thereof.

As witness my/our hand(s) this-----day of -----2016.

Signature of the said (Member (s))-----Membership No.-----

Signature of Proxy Holder(s) (1)----- (2)----- (3)-----

Affix Rs.1  
Revenue  
Stamp

- Note:**
1. Proxy need to be a Member of the AEPC as per pursuant section 105(1) of the Companies Act 2013 and Rule No. 19(1) of Companies (Management and Administration) Rule, 2014.
  2. Proxy cannot act on behalf of member exceeding 50 as per section 105(1) of the Companies Act 2013 and Rule No. 19(2) of Companies (Management and Administration) Rule, 2014.
  3. Please ensure proxy form is duly filled and signed in all relevant places and affix revenue stamp of Rs1/- duly defaced.
  4. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Council, not less than 48 hours before the commencement of the Meeting.



**INSTRUCTIONS:**

1. All blanks must be filled up, including the Membership Number.
2. Proxy Form issued by AEPC will be accepted as valid Proxy.



