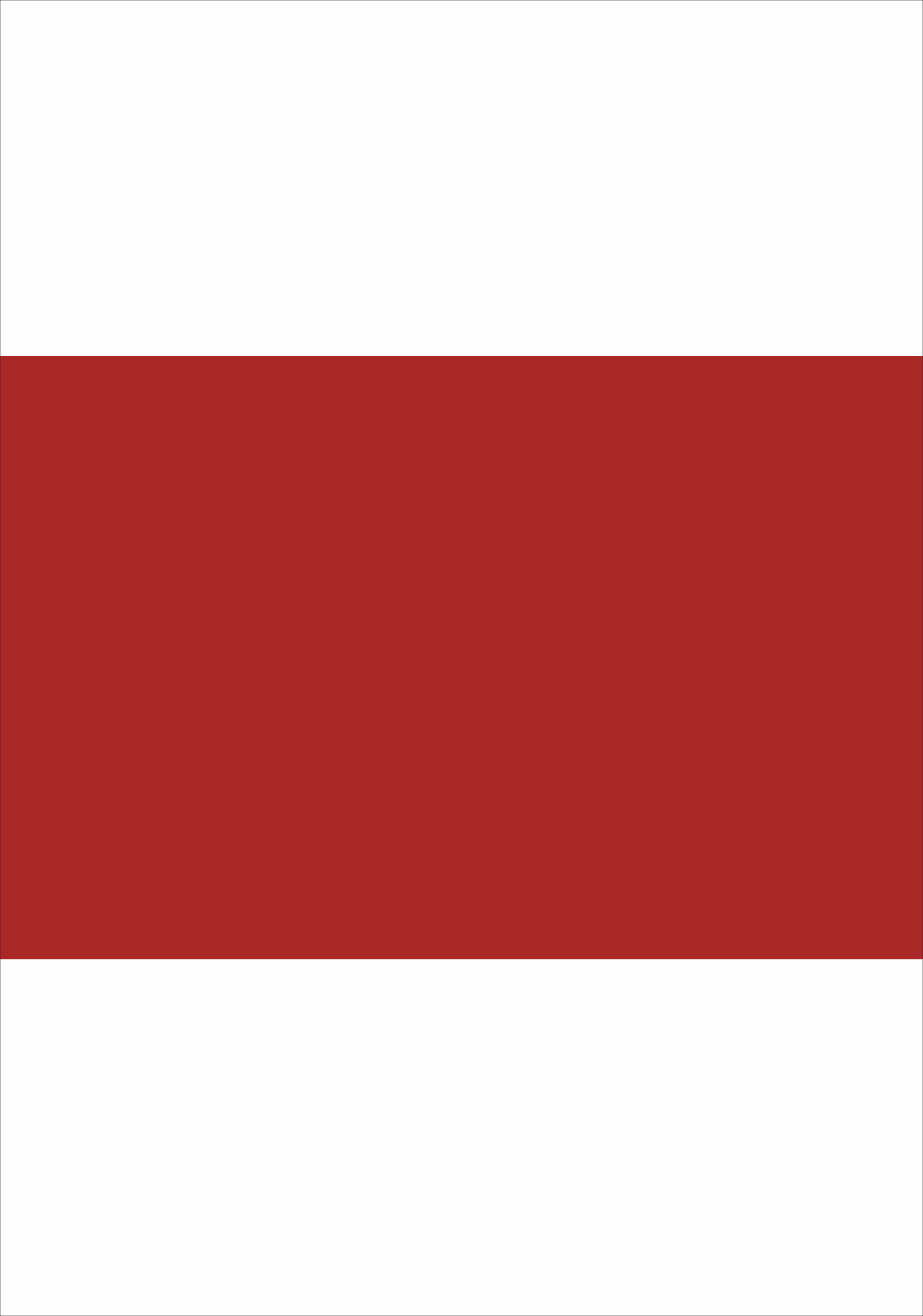




Apparel Export Promotion Council

# ANNUAL REPORT 2019-20









## HON'BLE MINISTER OF TEXTILES APPEALS TO INTERNATIONAL BUYERS



India has always believed in the philosophy of Vasudhaiva Kutumbakam. Translating into the fact that the World is one family and there has been no such time in human history that that concept has been tested and found to be true. Now the World is engulfed with coronavirus and a fight against it will be a testament to humanity. Today I appeal to the Buying Houses, the buyers of the Indian Textile and Apparel Industry. For years you have enjoyed the craftsmanship of our Textile Industry. Our Prime Minister has recently announced measures to protect the rights and wages of our workers. Today I appeal to you, stand together, let's show the world that we can do commerce with compassion. Do not cancel a single order that has been placed. Delivery Schedules can be reworked, payment plans can be extended if we decide to work together. I reiterate my appeal, do not cancel orders. Let's give the world an example that we can do commerce with compassion. The Ministry of Textiles and the Government of India will stand shoulder to shoulder with the Apparel industry in these times of challenges. I appeal to you yet again, help us do commerce with compassion. Namaskar.



**Dr. A. Sakthivel**, Chairman, AEPC with **Shri Anup Wadhawan**, IAS, Commerce Secretary



**Shri HKL Magu**, former Chairman, AEPC along with Chairman EP at India Trend Fair, Japan



**Shri Santosh Gangwar**, Hon'ble Minister of Labour and Employment, GOI, with Chairman AEPC



**Shri Ravi Kapoor**, Secretary, Ministry of Textiles, GOI, with Chairman AEPC



**Shri Amitabh Kant**, CEO, NITI Aayog with Chairman AEPC





**Shri Amit Yadav, DGFT with Chairman AEPC**



**Shri Edappadi K. Palaniswami, Hon'ble Chief Minister of Tamil Nadu, with Chairman AEPC**



**64th Edition of India International Garment Fair Inaugurated by Cabinet Minister of Uttar Pradesh, Shri Sidharth Nath Singh along with Dr. A. Sakthivel, Chairman, AEPC with other EC Members and SG AEPC**



**Shri Sudhir Sekhri, Chairman, EP AEPC welcoming Textiles Secretary Shri Ravi Kapoor at the symposium**



**Tirupur Apparel Industry organised a Function to Felicitates Dr. A. Sakthivel, Chairman, AEPC on January 24, 2020**





**Dr. A. Sakthivel, Chairman, along with other EC Members, AEPC meet with Parliament Members**



**Dr. A. Sakthivel, Chairman, AEPC with Former Chairman, AEPC Shri H.K.L. Magu**



**Dr. A. Sakthivel, Chairman, AEPC along with other EC Members of AEPC**



**Compendium for Good Management Practices Launch by Shri HKL Magu, former Chairman, AEPC**



**Dr. A. Sakthivel, Chairman, AEPC at Sourcing at Magic**



Shri Ahil Rathinasamy,  
Dr. A. Sakthivel,  
Shri Kumar Jayant, IAS,  
Shri Eswaran,  
Shri Raja Shanmugam,  
Shri Srikanth



Shri HKL Magu, former Chairman, AEPC & Shri Rakesh Vaid, Delegation at Colombia and Peru



Dr. A. Sakthivel, Chairman, AEPC with Shri Narendra Goenka, Vice Chairman, AEPC



Dr. A. Sakthivel, Vice Chairman, AEPC greeted Hon'ble Chief Minister of Tamil Nadu, Shri Edappadi K. Palaniswami at Dubai



# ANNUAL REPORT

2019-2020



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# Executive Committee

Dr. A. SAKTHIVEL	CHAIRMAN
NARENDRA GOENKA	VICE CHAIRMAN
ASHOK G. RAJANI	
VIJAY KUMAR AGARWAL	
RAVI PODDAR	
R. B.GOENKA	
PREMAL H UDANI	
PRAVIN KUMAR AGARWAL	
DILIP B. TRIVEDI	
DILIP DUDANI	
H.K.L MAGU	
HARISH AHUJA	
LALIT THUKRAL	
ANIL PESHAWARI	
VIRENDER UPPAL	
LALIT GULATI	
RAKESH VAID	
SUDHIR SEKHRI	
GAUTAM NAIR	
ANIL BUCHASIA	
RAJA M.SHANMUGHAM	
T.R.VIJAYAKUMAR	
R.RAMU	
K.M. SUBRAMANIAN	
B SHANMUGASUNDARAM	
RAJEEV S. GOENKA	
P. BALASUBRAMANIAM	
V. ELANGO VAN	
G.S. MADAN	CO-OPTED MEMBER
SAMIR BHUTA	CO-OPTED MEMBER
JAGADISH N. HINDUJA	CO-OPTED MEMBER
*GOVT. NOMINEES	

**SECRETARY GENERAL**  
SANJEEV NANDWANI

**ADDL. SECRETARY GENERAL**  
JYOTI KAUR

**SECRETARY**  
SUMIT GUPTA

**LEGAL ADVISOR**  
KULJEET RAWAL  
RAJESH RAWAL

**AUDITOR**  
SCV& Co.LLP

**BANKERS**  
INDIAN OVERSEAS BANK  
HDFC BANK LIMITED  
STATE BANK OF INDIA  
AXIS BANK LTD.  
CORPORATION BANK  
YES BANK LIMITED  
CANARA BANK  
SYNDICATE BANK  
ICICI BANK LTD.  
RBL BANK LIMITED  
IDBI BANK LTD.  
IDFC FIRST BANK LIMITED

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

**HEAD OFFICE**  
APPAREL HOUSE, INSTITUTIONAL AREA, SECTOR-44,  
GURUGRAM – 122003, HARYANA

**OTHER OFFICES AT**  
NEW DELHI  
JAIPUR  
CHENNAI  
BENGALURU  
MUMBAI  
NOIDA  
LUDHIANA  
TIRUPUR  
KOLKATA  
AHMEDABAD

**NOTES:**

1. Council members are requested to keep the soft copies of the Annual Report handy during the meeting, as the Annual Report 2019-20 will only be send through E-Mail to all Members, as per the MCA circular No. 20/2020 dated 05.05.2020.
2. Members having any queries on accounts are requested to send them in advance to the Council to enable to collect the relevant information.

\* Ministry of Textiles vide communication No.8/8/2018-EP dated 10th Feb, 2020 nominated Mr. Keshav Chandra, Joint Secretary (EP Textiles and coordination), Department of Commerce, Mr. Gyaneshwar Kumar Singh, Joint Secretary, Ministry of Corporate Affairs and Ms. Aditi Das Rout, Trade Advisor, Ministry of Textiles as Govt. Nominees on the Executive Committee of AEPC. However, Mr. Gyaneshwar Kumar Singh has served his resignation from the Govt. Nominee to the Executive Committee of the Council and Ms. Aditi Das Rout and Mr. Keshav Chandra have been transferred to other Ministries.

AEPC has requested to Ministry of Textiles for nomination of three Govt. Nominees on the Executive Committee of the AEPC in place of above three Govt. Nominees.

## NOTICE

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of the Council will be held on 03<sup>rd</sup> September, 2020, Thursday at 11:00 AM, through Video Conferencing/Other Audio Video Means (“VC/OAVM”) Facility 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, 2020, along with the report of the Auditors and the Executive Committee of the Council.
2. To elect & so appoint a Member to the Executive Committee, in place of Shri Pravin Agarwal from Western Region, who retires by rotation and is eligible for re-election.
3. To elect & so appoint a Member to the Executive Committee, in place of Shri Narendra Kumar Goenka from Western Region, who retires by rotation and is eligible for re- election.
4. To elect & so appoint a Member to the Executive Committee, in place of Shri Ravi Poddar 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 Anil Peshawari from Northern Region, who retires by rotation and is eligible for re- election.
6. To elect & so appoint a Member to the Executive Committee, in place of Shri Sudhir Sekhri 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 Lalit Thukral 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 Dr. A.Sakthivel from Southern 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 Raja M. Shanmugham 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 T.R.Vijayakumar 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 Anil Buchasia from Eastern Region, who retires by rotation and is eligible for re- election.

By order of the Executive Committee  
Sumit Gupta  
(Secretary)

Place : Gurugram  
Date : 31.07.2020

**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 can also be inspected electronically by sending a request at [sumit.gupta@aepcindia.com](mailto:sumit.gupta@aepcindia.com). 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 can also be inspected electronically by sending a request at [sumit.gupta@aepcindia.com](mailto:sumit.gupta@aepcindia.com)

### NOTES:

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

IN THE PROCESS OF REMOTE E-VOTING / E VOTING A MEMBER IS NOT REQUIRED TO APPOINT ANY PROXY TO ATTEND THE MEETING AND VOTE BECAUSE PURSUANT TO THE CIRCULAR NO. 14/2020 DATED APRIL 08, 2020, ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, THE FACILITY TO APPOINT PROXY TO ATTEND AND CAST VOTE FOR THE MEMBERS IS NOT AVAILABLE FOR THIS AGM. HOWEVER, THE BODY CORPORATES / MEMBERS ARE ENTITLED TO APPOINT AUTHORIZED REPRESENTATIVES TO ATTEND THE AGM THROUGH VC/OAVM AND PARTICIPATE THERE AT AND CAST THEIR VOTES THROUGH E-VOTING.

[b] The Register of Members of the Council will be closed from 28.08.2020 to 03.09.2020 (both days inclusive)

Place: Gurugram  
Date: 31.07.2020

By order of the Executive Committee  
Sumit Gupta  
(Secretary)

### Registered Office:

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

## IMPORTANT NOTES:-

### 1. General instructions for accessing and participating in the 41<sup>st</sup> AGM through VC/OAVM Facility and voting through electronic means for all resolutions including remote e-Voting:-

- a) In view of the massive outbreak of the pandemic i.e COVID-19, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, and other applicable circulars issued by Ministry of Corporate Affairs, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b) Members may join the 41<sup>st</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10:45 A.M. IST i.e. 15 minutes before the time scheduled to start the 41<sup>st</sup> AGM and the Council will close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 41<sup>st</sup> AGM i.e 11:15 AM.

- c) Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The Executive Committee Members, Statutory Auditors, Key Managerial Personnel, the Chairpersons of the Sub-Committees can attend the 41<sup>st</sup> AGM without any restriction on account of first-come-first-served principle.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- e) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 and other applicable circulars issued by Ministry of Corporate Affairs, the Company is providing facility of remote e-voting/ e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM i.e. e-voting will be provided by NSDL.
- f) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the notice calling the AGM along with Executive Committee Report 2019-20 and the Financial Statements for the year 2019-20 is being sent by electronic mode only to those Members whose e-mail addresses are registered with the Council and the same has been uploaded on the website of the Council at [www.aepcindia.com](http://www.aepcindia.com) and website of NSDL (agency for providing the Remote e-Voting/ e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
- g) If any member wants to register or update their E-mail ID with the Council, they can write an E-mail at [aepc.agm.2020@aepcindia.com](mailto:aepc.agm.2020@aepcindia.com).
- h) AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and other applicable circulars issued by the Ministry of Corporate Affairs ("MCA Circular/s").

## **2. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

- a) The remote e-voting period begins on 31<sup>st</sup> August, 2020 at 09:00 A.M and ends on 02<sup>nd</sup> September, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- b) The details of the process and manner for remote e-Voting are explained herein below
  - Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com>
  - Step 2: Cast your vote electronically on NSDL e-Voting system.

### **Details on Step 1 is mentioned below:-**

How to Log-in to NSDL e-Voting website?

On receipt of an e-mail from NSDL (National Securities Depository Limited) an Agency appointed by Council, as per Rule 20 of the Companies (Management & Administration) Amendment Rules 2015 by



member relating to e-voting on all resolution, 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. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- iii. Open the internet browser by typing the following URL: <https://www.evoting.nSDL.com>
- iv. Click on "Shareholder/Member– Login".
- v. After you click on the "Login" button, Home page of e-Voting will open
- vi. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- vii. 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.

**Details on Step 2 is given below:-**

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see "EVEN" (E-Voting Event Number) of Apparel Export Promotion Council.
- iii. Select "EVEN" (E-Voting Event Number) of Apparel Export Promotion Council. Now you are ready for remote e-voting as Cast Vote page opens.
- iv. 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.
- v. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vi. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **3. GENERAL GUIDELINES FOR MEMBERS**

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) to reset the password.
- ii. The voting rights of members shall be one person one vote as on cut-off date i.e 27.08.2020 (Thursday). 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/ e-voting or any other means.

- iii. Mr. R.K. Singh, Under Secretary, Ministry of Textiles, Govt. of India has been appointed as the Scrutinizer to scrutinize the E-voting and remote e-voting process in a fair and transparent manner.
- iv. 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.

- v. The Scrutinizer shall, immediately after the conclusion of E-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.
- vi. 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 after the declaration of result by the Chairman or person authorized by him in writing.
- vii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders/Members and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). or contact Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager, National Securities Depository Ltd., Trade World, “A” Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, at the designated email IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone nos. : +91-22-2499 4360 or +91 22 2499 4545, who will also address the grievances connected with the voting by electronic means.

#### **4. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.



## **5. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:-**

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Member who would like to express their views/ask questions during the meeting may register themselves as a speaker and may send their request mentioning their Name, membership No, email id, mobile number at [sumit.gupta@aepecindia.com](mailto:sumit.gupta@aepecindia.com) atleast 48 hours in advance before the start of the 41st AGM i.e. by 01st September, 2020 by 11:00 A.M.
- vi. Members who would like to express their views/have questions relating to proposed resolutions, may send their questions in advance mentioning their Name, Company Name, membership Number, email id, mobile number at [sumit.gupta@aepecindia.com](mailto:sumit.gupta@aepecindia.com). The same will be replied by the Council suitably.
- vii. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Place: Gurugram  
Date: 31.07.2020

By order of the Executive Committee  
Sumit Gupta  
Secretary

### **Registered Office:**

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

## EXECUTIVE COMMITTEE'S REPORT FOR THE FINANCIAL YEAR 2019-20

The Executive Committee of the Council has great pleasure in presenting the 41<sup>st</sup> Annual report along with the Income & expenditure Account, Balance Sheet and the Auditor's Report for the Year ended 31<sup>st</sup> March, 2020.

### Review of Exports – Performance in 2019-20.

India's RMG export to World for financial year 2019-20 was to the tune of USD 15509mn. It has

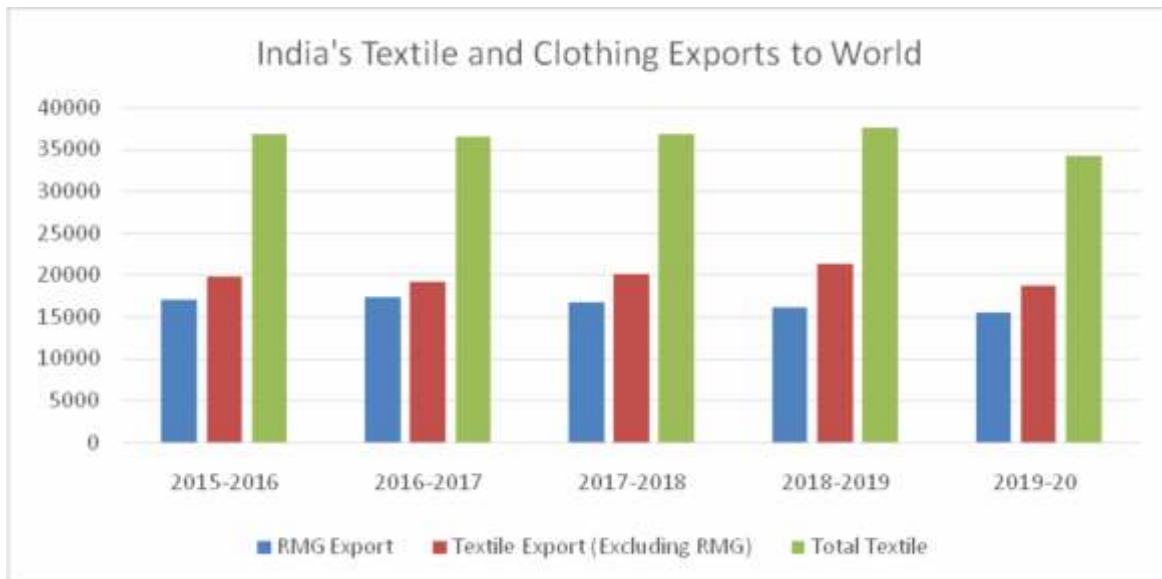
decreased by 4.0 per cent in dollar terms, as compared to the same period of previous financial year. During 2018-19 India's apparel exports were to the tune of USD 16156 mn.

In rupee terms export for the cumulative period of 2019-20 was Rs. 109841.8 Cr. as against Rs. 112827.7 Cr. in 2018-19. During 2019-20, RMG exports have decreased by 2.6 per cent in rupee terms compared to same period of previous year.

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

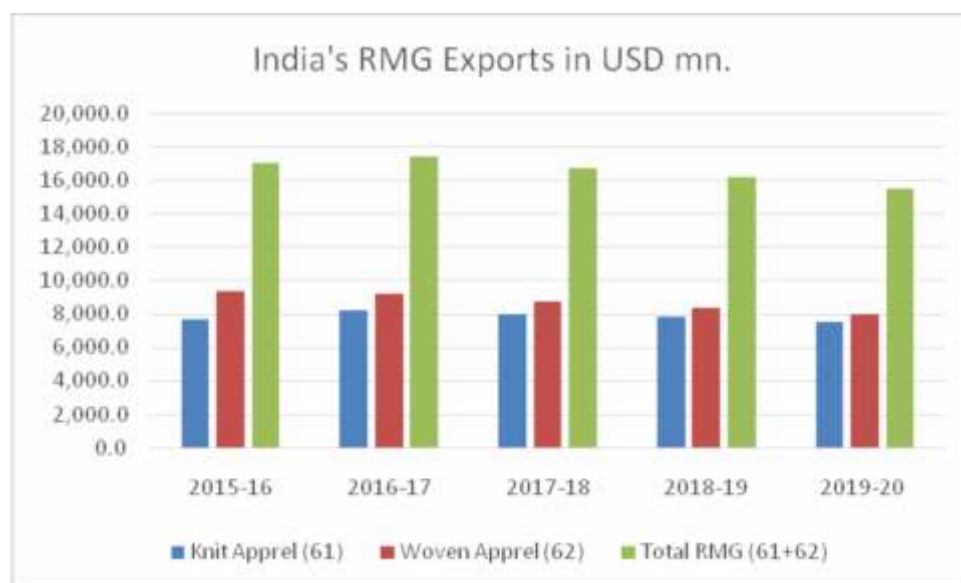
FY	USD Mn.			RMG Share in India's Total Textile & Clothing Export to World in %	Share in % In India's All Commodity Export		Y-O-Y Growth in %	
	RMG Export	Textile Export (Excluding RMG)	Total Textile		RMG Export	Textile & Clothing Export	RMG Export	Textile & Clothing Exports
2015-2016	16990	19737	36727	46	6.5	14	0.8	-2.5
2016-2017	17388	19160	36477	48	6.3	13.2	2.3	-0.7
2017-2018	16722	20016	36738	46	5.5	12.1	-3.8	0.7
2018-2019	16156	21341	37497	43	4.9	11.4	-3.4	2.1
2019-2020	15509	18710	34220	45	5.0	10.9	-4.0	-8.7

*Source: DGCIS, 2020  
Rounded up figure*



## Share of Knitted & Woven garments

- (i) Knitted Exports USD 7,515mn. 2019-20 Share 48.5 %, Decline 3.9%.
- (ii) Woven Exports USD 7,995 mn. 2019-20 Share 51.5%, Decline 4.1%.



## World Apparel Trade

Global Apparel Exports is US\$ 487.6 billion in 2019 (Source: UN Comtrade, 2020), out of which India's exports were only US\$ 16.5 billion, while China's exports were US\$ 138.2 billion, Bangladesh's exports were US\$ 39.7 bn., Vietnam exports were US\$ 33.0bn.

India is the 6th largest apparel exporter in globe with 3.4% share after China (28.4%), Bangladesh (8.1%) and Vietnam (6.8%), the economies comparable in their region.

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



**Table 2 - Global RMG Exporter**

S. No.	Exporters	Exports in USD Bn.					% Change (2019/2018)	% Share				
		2015	2016	2017	2018	2019		2015	2016	2017	2018	2019
	<b>World</b>	<b>438.6</b>	<b>433.1</b>	<b>449.5</b>	<b>475.8</b>	<b>487.6</b>	<b>2.5</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
1	China	162.3	147.8	145.6	145.0	138.2	-4.6	37.0	34.1	32.4	30.5	28.4
2	Bangladesh	26.5	33.2	34.6	38.9	39.7	1.9	6.0	7.7	7.7	8.2	8.1
3	Vietnam	21.4	22.4	24.4	28.2	33.0	17.2	4.9	5.2	5.4	5.9	6.8
4	Italy	19.4	20.0	21.4	23.4	24.2	3.2	4.4	4.6	4.8	4.9	5.0
5	Germany	16.2	16.5	20.3	23.4	23.9	2.2	3.7	3.8	4.5	4.9	4.9
6	<b>India</b>	<b>17.1</b>	<b>17.0</b>	<b>17.3</b>	<b>15.7</b>	<b>16.5</b>	<b>5.4</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>3.3</b>	<b>3.4</b>
7	Turkey	14.8	14.8	14.8	15.3	15.5	1.5	3.4	3.4	3.3	3.2	3.2
8	Spain	11.5	12.5	14.2	14.6	15.2	4.0	2.6	2.9	3.2	3.1	3.1
9	Netherlands	8.5	9.1	10.3	12.2	13.0	6.9	1.9	2.1	2.3	2.6	2.7
10	Cambodia	5.9	6.6	7.0	7.8	12.9	65.1	1.3	1.5	1.6	1.6	2.7

Source: UN Comtrade, 2020

## India's Top 10 apparel export destination 2019-20

In 2019-20, USA has maintained first position in India's RMG exports destination with USD 4241.3mn. Exports; registering a growth of 1.8%.

India's RMG exports to UAE amounted to USD 1686.0mn. in 2019-20 as compared to USD1991.2mn in 2018-19 showing a double digit decline of 15.3%. Share of UAE in 2019-20 has decreased to 10.9% from 12.3 % in 2018-19.

**India's Top 10 RMG Export Destination**

S.No.	Country	Export in USD mn.		%Growth	% Share	
		2018-19	2019-20		2018-19	2019-20
	<b>World</b>	<b>16156.4</b>	<b>15509.3</b>	<b>-4.0</b>	<b>100</b>	<b>100</b>
	<b>Top 10</b>	<b>11936.9</b>	<b>11311.5</b>	<b>-5.2</b>	<b>73.9</b>	<b>72.9</b>
1	USA	4166.0	4241.3	1.8	25.8	27.3
2	U ARAB EMTS	1991.2	1686.0	-15.3	12.3	10.9
3	UK	1605.5	1530.8	-4.7	9.9	9.9
4	GERMANY	1143.6	956.4	-16.4	7.1	6.2
5	SPAIN	776.5	718.6	-7.4	4.8	4.6
6	FRANCE	737.5	644.1	-12.7	4.6	4.2
7	SAUDI ARAB	408.7	498.9	22.1	2.5	3.2
8	NETHERLAND	471.7	446.0	-5.4	2.9	2.9
9	ITALY	416.4	341.4	-18.0	2.6	2.2
10	NIGERIA	219.9	248.1	12.8	1.4	1.6

Source: DGCI&S, Kolkata, 2020

The region wise direction of exports during 2019-20, as compared to 2018-19 in value & share terms are given below:-

EU has remained the Top region for India's RMG exports; India's exports to EU were

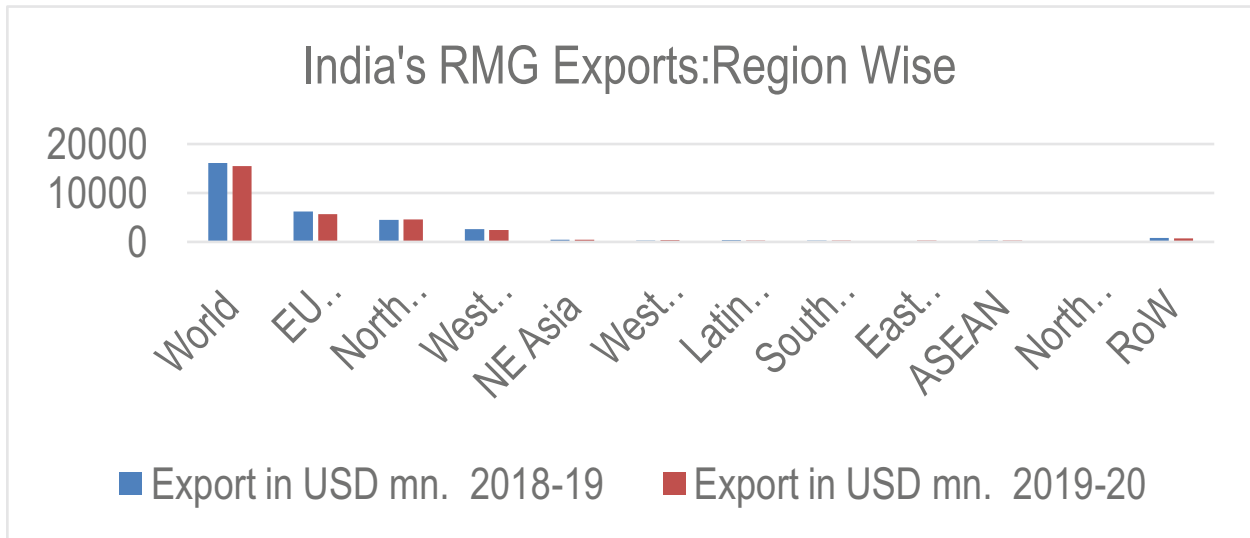
US\$5690.5mn. in 2019-20 ; which has decreased from US\$6199.5mn. in 2018-19; registering a decline of 8.2 percent in 2019-20 as compared to previous year. Moreover, EU's share in India's RMG exports is 36.7% in 2019-20.

India's RMG Exports: Region Wise						
S. No.		Export in USD mn.		% Change	% Share	
		2018-19	2019-20		2018-19	2019-20
	<b>World</b>	<b>16156.37</b>	<b>15509.27</b>	<b>-4.0</b>	<b>100</b>	<b>100</b>
1	EU Countries	6199.5	5690.5	-8.2	38.4	36.7
2	North America	4529.6	4596.1	1.5	28.0	29.6
3	West Asia- GCC	2657.2	2433.5	-8.4	16.4	15.7
4	NE Asia	448.0	428.0	-4.5	2.8	2.8
5	West Africa	286.4	336.6	17.5	1.8	2.2
6	Latin America	344.8	296.0	-14.1	2.1	1.9
7	South Asia	244.1	277.4	13.6	1.5	1.8
8	East Asia (Oceania)	225.1	254.0	12.8	1.4	1.6
9	ASEAN	233.6	249.8	6.9	1.4	1.6
10	North Africa	171.0	222.8	30.3	1.1	1.4
	RoW	817.2	724.7	-11.3	5.1	4.7

*Source: DGCI&S, Kolkata, 2020*

### Note:

- : North East Asia – China, Japan, North Korea & South Korea, Taiwan, Hong Kong, Macao, Mongolia
- : GCC - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia & United Arab Emirates
- : ASEAN - Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam.
- : RoW-Rest of the World



## OUTBREAK OF PANDEMIC i.e COVID-19

In the last quarter of financial year 2019-20, we have seen an unprecedented global breakout of the COVID-19 pandemic leading to a humanitarian crisis, lockdown across many countries and significant economic fallout. Around the world, growth has decelerated markedly. The economic impact of COVID-19 is trickling in on the backdrop of an already challenging macro-economic environment.

During the lock-down period due to outbreak of Pandemic i.e COVID-19, the AEPC Chairman made several correspondences with Prime Minister of India, Cabinet Secretary, Principal Secretary to PM, Advisor to PM, Finance Minister, Finance Secretary, Hon'ble Commerce Minister, Secretary- Commerce, DGFT, Textile Minister, Secretary –Textiles, Hon'ble Union Labor Minister and Secretary (Labour), Chief Labor Commissioner, PF Commissioner, Director General of Employment, Minister of MSME and Secretary MSME, Union Civil Aviation Minister and Secretary – Civil Aviation etc. In addition, he has also corresponded with 13 State Chief Ministers, Union Territory Administrator and Chief Secretary of 13 States besides approaching the Director Generals of Police of state for free movement of Cargo.

On March 25, 2020, Union Textile Minister Smriti Zubin Irani extended her support to the apparel export industry through a video message. She requested overseas buyers/ big brands/stores not to cancel the orders placed with Indian exporters and further requested them for “Commerce with Compassion”. Several conferences were organised by the Textile and commerce ministries during this lockdown period. These included three video conferences by the Ministry of Commerce and Ministry of Textiles each. The Chairman's office also received positive responses from some of the big brands namely Mango, H&M & C and A and also from International Textile Associations/Bodies who assured that they will disseminate the HMOT Videos/Chairman's appeal amongst their members by posting it on their official as well as personal website. These include Better Buying-Newark-USA, EURATEX Brussels, International Apparel Federation Netherland, Sustainable Apparel, Fair Wear Foundations-Netherland and Australian Fashion Council, etc.

The Chairman's office also mailed the appeal of HMOT to Danish Ministry of Foreign Affairs (received acknowledgement), ILO, European Commission and Secretary General United



Nation with a request to kindly advise their partner/associated countries trade bodies and associations not to cancel the orders placed with Indian Buyers. While dealing with international buying houses, buyers, big stores & boutiques, Chairman AEPC frequently interacted with Chairman and President of the Textile Associations of neighboring countries established a good working relations, particularly with Rubana Hug, President of Bangladesh Garment Manufacturers & Exporters Association (BGME) and Rehan Lakhany, Chairman of The Sri Lanka Apparel Exporter's Association for the unified approach to handle the buyers' issues. Chairman also initiated and advised leading brands and buying-houses sourcing from India as also multi stakeholder organizations like Ethical Trading Initiative (ETI) to share challenges and concerns of Indian Apparel exporters due to Covid-19, as also to brainstorm on proposed strategies to bring back the sector to normalcy and discuss business continuity plan. Senior representatives of Ethical Trading Initiative (ETI), brands and buying houses like PVH, Ralph Lauren Asia Pacific, VF, Marks and Spencer, Triburg, Very group and Buying Agents Association joined the discussions. In continuation to follow up, the second video conference with ETI and other stakeholders was held and during the meeting, Chairman and all other stakeholders agreed to develop a framework on priorities and a call for action for rebuilding the industry within a possible time frame.

Chairman, AEPC also participated in the ILO web-seminar and had taken up various issues related to workers welfare, banking facilitation & framing of feasible manual for manufacturing sector and also training technical people for restarting industry etc.

Chairman AEPC is now one of the Members in the STAR Network (Sustainable Textile of Asian Region).

The STAR Network (Sustainable Textile of the

Asian Region) is the first inter-Asian network of producer associations. It was initiated by GIZs FABRIC project, which is promoting sustainability in the textile and garment industry in Asia. The network brings together representatives of the producing associations from Bangladesh, Cambodia, China, Myanmar, Pakistan and Vietnam. The network's members all meet regularly and have undertaken work together in order to promote sustainable production. As a platform for dialogue, the network helps members find solutions to the challenges they all face. The platform is used to announce relevant dates for the industry and publish information on good practice from pioneering factories on subjects such as workplace health, affirmative action for women and waste management.

The STAR Network is also co-organizer of the conference series "Asian Dialogues on Sustainable Production in the Textile and Garment Sector". The Asian Dialogues are a platform where representatives of the Asian textile industry, government bodies, buyers and employees discuss challenges and opportunities on the way towards sustainability and develop a more cooperative relationship.

### **AEPC representations made during the outbreak of Pandemic i.e Covid-19.**

#### **A. i) Easing of Commitment towards workers:**

- Requested for wages of workers may be made out of the ESI funds which we are paying regularly over the years
- Requested that reserve fund of Atal Bimit Vyakthi Kalyan Yojana (ABVKY) Scheme of the Government, as contributed by employees and employers may be utilized along for payment of wages.
- Requested for contribution towards Salaries of employees for six weeks, or till normalcy resumes.



- Requested for payment of the employer's portion of EPF for the months of March/April/May/June, 2020 irrespective of number of workers employed.
- Requested that Government may waive both the employers and employees ESI contributions of for the months of March, April, May and June 2020.
- Requested that the benefit under the Pradhan Mantri Garib Kalyan Package (PMGKP) of payment of 12% of employer and 12% employee contributions towards EPF accounts of eligible establishments, extended by another 4 months (April-July 2020). It has been suggested that this benefit be granted irrespective of the number of workers employed and more specifically to cover all the Apparel Exporting Units who may kindly be notified as eligible establishments.

**ii) Steps to ease working capital constraints:**

- Packing credit to be extended for 6 months without any penal interest.
- Forward contract also to be extended by six months without any penalty.
- A large number of our Exporters lost huge money by booking forward contracts and we feel that the loss can be converted into a working capital-Term-Loan with a repayment in three years with a 6% Interest rate.
- Penalty imposed on forward covers, imposed by certain banks may be waived off.
- The benefit of Interest Equalisation Scheme extended by one year it has been requested that this may be

extended by at least two years and the benefit of 5% may kindly be extended to all Apparel Exporting Units at par with MSME Sector.

- The facility of granting of additional working-capital to all MSME Units without any additional collateral is a welcome step. It is requested that this benefit be granted to all Apparel Exporting Industries irrespective of their size
- AEPC has studied the Global Market Trends and we find that China, Cambodia, Vietnam and Indonesia are exporting 80% Manmade Fibre Garments globally and we also find that top importing countries are buying 85% garments made out of Manmade Fibre, whereas we export 90% of cotton garments only. To encourage export of Manmade Fibre Garments we have requested to sanction 6% Covid-fund for encouraging to export Manmade Fibre Garments

**iii) Easing out Reimbursement Schemes like ROSCTL:**

The ROSCTL which has been extended, may be given as "Direct Cash Transfer", as in the case of erstwhile ROSL and drawback. This will reduce the time and transaction cost of availing the scheme

**iv) MEIS scheme:**

MEIS scheme may be reintroduced w.e.f. 7th March, 2019 for Apparel exporters and the scheme should be continued beyond 31st March, 2020

**v) Improve Insurance Terms through ECGC:**

- ECGC may give the payment of shipped goods for which buyers are not paying

- ECGC may devise the mechanism of payment of shipped goods for which payment is not received
- Exporters will later deposit the money back to ECGC once the buyers make the payment.
- Immediate implementation of NIRVIK Scheme and expand coverage to pre-shipment rules.
- Expand the terms of ECGC to include “force majeure” situation as prevailing

#### **vi) ITC, IGST & Drawback refunds related**

- To defer the payment of GST dues for a period of three months without penalty
- To ensure early release of pending ITC & IGST refunds
- To ensure early release of pending Drawback

#### **vii) Demurrage Charges**

Demurrage waiver should be allowed to all exports shipments which are lying at various Indian Airports

#### **B) Studies conducted by AEPC**

- Impact of COVID-19 on Indian Apparel Exports-The survey was aimed at understanding the challenges being faced by the apparel industry and the measures needed to mitigate those challenges.
- Study on Buyers and Order's Position- To understand the overall business scenario of the exporters.
- AEPC Study on Capacity of PPE Manufacturing- To assess the situation, capacity and plan of exporters to manufacture PPE and to understand the market of PPE.

#### **C) Creation of “COVID-19” Section and**

#### **Mailer on AEPC's Website.**

- Created COVID-19 section on AEPC's website namely “COVID-19 Updates” to notify members about all the important circulars/notifications notified by the Government during the lockdown to provide relief to the trade.
- Created a mailer on AEPC's website namely “COVID-19 Related Facilitation Measures Circulars” to apprise members about the initiatives taken by AEPC, webinars conducted and the announcements made by the government to provide Relief to the Industry.

#### **D) Webinars & Video Conferences (VC) were also conducted for Trade held during COVID-19 Crisis for industry as detailed below:-**

- Webinar held on 02.05.20 with ITTA, SITRA and Lectra India on Manufacturing of PPE products under Medical Textiles
- Webinar held on 15.05.20 with MoT, MoD, CRPF, MHA and HLL on Medical Textiles (PPE) – Marketing Opportunities
- Video Conferencing held on 22.05.20 with MSME on Medical/ Non-Medical Textiles – PPE (N95 Masks and coverall) current scenario and single point agenda to enhance production
- Webinar held on 05.06.20 with ECGC on Managing Trade Credit under the Covid-19 Pandemic Situation
- Webinar held on 09.06.20 with Amazon : How To Start Exporting Through B2C Ecommerce
- Webinar held on 10.06.20 with Fibre2Fashion.com on Reboot – Rebuild – Rebound: Fashion industry ready for Resurrection?
- Webinar held on 24.06.20 with MoT, DGFT & others on Export Facilitation for PPE/Coverall



- viii. Video Conferencing held on 25.06.20 with Principal Secretary to government (MSME, Textiles & Mines), Commerce & Industries Department on Export of Readymade Garments and Made-up Textiles from Karnataka
- ix. Video Conferencing held on 03.07.20 with Hon'ble Minister of Commerce & Industry to take up issues related to Fund for additional ad-hoc incentive, Pending old ROSL claims, Converting outstanding working capital loans into a working capital term loan, amendment in the eligibility criteria of ECLGS, relaxation

in Export obligation for import under advance authorization, Drawback & ROSCTL, Exports of PPE kits, Mismatch in units of Shipping bill and ROSCTL module and Certificate of registration for exporting PPE.

- x. Webinar held on 06.07.20 with Invest India on investment opportunities, ecosystem enablers, incentives, and infrastructure relevant for the textile and apparel sector.
- xi. Webinar held on 07.07.20 with E&Y on their study on Improving Competitiveness of the Textile & Clothing Sector” to E&Y.



### E) COVID 19 - Advisory & Precautionary Measures for AEPC Secretariat

- In order to spread awareness on COVID-19 and the precautionary measures recommended safeguarding the health of Council's employees, various advisories were released from time to time and appropriate arrangements for maintaining social distancing, thermal screening, and displaying the awareness posters in office premises etc. were made in all the offices of the council.
- Efforts were also made for sensitizing the employees and guidelines prepared to be followed, on joining back the office during unlocked down Phase.

### F) AEPC working on prospects post COVID-19

- Identifying the products where we can diversify and boost our exports. After COVID-19 pandemic, world will be looking for sourcing options other than China
- Identifying the markets where we can focus and increase our exports
- Identifying raw material sourcing destinations other than China.
- Identifying how we can reduce the dependency on China for importing raw material.
- Identifying potential markets for Export

Promotion events.

- Realizing India is the 2nd largest manufacturer of Man Made Fibre, Special initiatives are being taken towards product development –technology to be identified and to upgrade the skills right from Fiber to MMF garments involving all processes. The idea is to bring a revolution in the MMF garments Industry and position India as the largest producer and exporter

### G) Organizing of Virtual Fairs

As a way ahead, whilst visualizing the current scenario, our Council is planning to create our own virtual platform to facilitate virtual exhibitions across borders and keep the interaction live round the clock. The objective of this platform, under the changed scenario, is to adapt and reach out to audiences across target segments, irrespective of geographical boundaries and develop personalized connects with buyers. For this purpose, it is imperative to create interactions on a B2B, B2C and B2G mode.

The contours of the proposed virtual Trade Fairs would ensure that the exhibitions have the look and feel of a physical fair whilst maintaining and including features whereby the potential buyers learn about the Exhibitor's products & services via images with an equal efficacy.

## Other Initiatives and Activities undertaken by AEPC during the year

### 1) Awareness Workshop E-Sanchit Portal under single window project

The Council had organized “Awareness Workshop on Implementation of e-Sanchit Portal under Single Window Project” on 2<sup>nd</sup> April, 2019 at IKF Complex, Tirupur for facilitating exporters on how to register in the portal and changes in the issuance of Import Certificate from this fiscal.



## 2) Round Table Meet

AEPC in association with IKFA organized a Round Table Meet on 15<sup>th</sup> May, 2019 at India Knit Fair Complex, Tirupur simultaneously along with the inauguration of 46<sup>th</sup> IIFK. Shri Kumar Jayant, IAS, Principal Secretary – Handlooms, Handicrafts, Textiles and Khadi Department, Govt. of Tamil Nadu as the Chief Guest of the meet. Dr. A. Sakthivel, Chairman-AEPC, had presided over the meet. Presidents from various Associations and leading exporters have attended the meet and had a fruitful discussion on the recently announced Textile Integrated Policy of GOTN, shared their views and sought other immediate requirements for the development of Knitwear industry.

## 3) Social and Labor Convergence Programme (SLCP) Launch Event

The Social and Labor Convergence Launch Programme was held on 3<sup>rd</sup> June, 2019 at Tirupur and on 7<sup>th</sup> June, 2019k at Apparel House, Gurugram. SLCP had developed a Converged Assessment Framework (CAF) that seeks to support stakeholders' efforts to improve working conditions in global supply chains. The CAF consists of a Data Collection Tool, Verification Protocol and Verifier Guidance. It intends to combat audit fatigue and free up resources for improvement.



This is achieved by replacing the need for audits by delivering one verified set of social and labor data that can be used by standards and brands to decide on certification, compliance and more. To ensure quality implementation of the

framework and reliable data for the industry, the system has been developed to serve functions like data collection at a facility level, verification of collected data and hosting and sharing of verified data to end users.

## 4) UGANDA Delegation

A Delegation from Uganda had visited Apparel House, Gurgaon on July 22, 2019, to explore the avenues of engagement and collaboration between Indian Apparel manufacturers of India and Uganda.



## 5) Exporters Meet

AEPC and FIEO had jointly organized an EXPORTERS' MEET on "Current Global Trade Scenario, Banking issues and Doing Business with Iran" in association with IDBI Bank on 26<sup>th</sup> July, 2019 at Tirupur.



## 6) Seminar on Export Documentation and Credit Risk Management

AEPC had organized a seminar on Export Documentation & Credit Risk Management for Apparel exporters in collaboration with ECGC on



1<sup>st</sup> August, 2019 at Apparel House, Gurugram.

The seminar included a session on Export documentation for exporters, Awareness on ECGC scheme for credit risk management and Presentation on Best Practices by NITRA.

### **7) AEPC emphasizes on the continuation of MEIS**

AEPC had made a presentation on August 5, 2019 before Members of Parliament from important Apparel clusters like Coimbatore, Erode, Salem, Gundur, Dindigul etc. on the critical need for continuation of policy support like MEIS for apparel sector to regain its competitiveness.

### **8) Seminar on Enabling Competitiveness in Apparel Sector and Launch of Compendium for Good Management Practices**

AEPC had launched compendium for Good Management Practices on 30<sup>th</sup> August 2019. AEPC had partnered with the International Labour Organization (ILO) to study the global good practices and to identify some key practices which can be encouraged for adoption by Indian apparel manufacturers to ensure growth in business in a good-sustainable-inclusive way. The project aims to benchmark apparel industry production, management practices and profitability to global standards.

### **9) Meeting with delegation of American Chamber of Commerce, Hong Kong**

Recognizing the need for engaging with the US after the US-China trade war, AEPC hosted a meeting with a delegation of American Chamber of Commerce, Hong Kong on 4.9.2019 at Apparel House, Gurgaon consisting of Senior Sourcing Professionals of top International brands in Textile and Apparel. The discussions were aimed around ways of getting FDI and collaborations with these brands.

### **10) Seminar on Digital Transformation of the Apparel Industry to Meet the Future Demands**

A Seminar on Digital Transformation of the Apparel Industry to Meet the Future Demands Held on 5<sup>th</sup> September, 2019 at Apparel House, Gurugram. The seminar covered sessions on Dynamic Demands of the Future and How Adopting to Industry 4.0 Would Help in Being Future Ready, Challenges faced by Fashion & Apparel Industry and How Connected Technologies Would Be an Enabler in overcoming them and How Adopting to Industry 4.0 solutions has enabled a company to digitally transform its business.

### **11) AEPC & ECGC Organizes Commemorative Meet**

ECGC, Tirupur in association with AEPC has organized a “Commemorative Meet” on 24<sup>th</sup> October, 2019 in Tirupur. While addressing the gathering Ms. SushmaVij, General Manager from RBI has highlighted the role of exporters in earning valuable foreign exchange for the Country and explained some of the important Forex and export credit regulations of RBI.

Dr.A.Sakthivel has requested RBI officials to share EDPMS/IDPMS data with AEPC since AEPC has a huge membership base on all India and can take steps in resolving the data mismatch in EDPMS/IDPMS compliance towards apparel exports.



## 12) AEPC Industry 4.0 Experience Centre

AEPC organized workshop on Cutting Room 4.0- The connected Ecosystem for the apparel manufacturing in association with Lectra Technologies in Tirupur on 23.10.2019 and on 21.11.2019 at Apparel House, Gurgaon.



## 13) Session on Sourcing Options & GST Update & Refund

AEPC had organized an Interactive Session on Sourcing Options & GST Update & Refund on 14.11.2019 at Apparel House, Gurugram.

## 14) Exporters' Meet at Ludhiana

AEPC organized an Exporter's Meet on December 16, 2019 at Ludhiana in partnership with ATDC. The aim of this meet was to apprise the apparel exporters about the various schemes of the Government of India for the apparel sector besides making them aware about the AEPC and ATDC initiatives for the exporters in the region.



## 15) Exporter's Meet at Tirupur

AEPC Tirupur organize a meeting with Commissioner of Customs, Trichy Tuticorin in Tirupur on January 2, 2020 to discuss the issues faced by the risky exporters and members at members at Tuticorin Port/Customs. Deputy Commissioner, GST Tirupur and Assistant Commissioner (ICD) along with some custom officials were also present during the meeting.

## 16) Conference on Textile and Garment industry

Madhya Pradesh Industrial Development Corporation (MPIDC) organized a round table conference on Textile and Garment Industry in New Delhi on 12 February 2020. The event, chaired by Shri Kamal Nath, the then Chief Minister of Madhya Pradesh. The conference aimed to establish the state as the ideal location for manufacturing and service sectors.

## 17) ATUFS Seminar

With the aim to facilitate faster resolution of the pending TUFs cases and to provide clarity on the procedural requirements and SoPs, AEPC had organized a Camp on the pending cases of ATUFS/RRTUFS/MMTUFS with apparel exporters of NCR region on 6.2.2020 at Apparel House, Gurgaon. Mr. Ajit B Chavan, Additional Textile Commissioner, Mumbai and Shri Ajay Pandit, Director, Regional office of the Textile Commissioner detailed the progress with regard to the various TUFs schemes and also on the common issues faced.



### 18) Investment opportunity in Textile Industry of MP

An interactive session with Tirupur based Exporters and garment manufacturers on 'Investment Opportunities in Textile Industry of Madhya Pradesh' held with Shri Ashok Barnwal, Principal Secretary to Chief Minister, Madhya Pradesh at Tirupur on 29<sup>th</sup> February 2020. The meeting was presided over by Dr. A. Sakthivel, Chairman AEPC.



### 19) AEPC organizes meeting with Commerce Secretary

AEPC along with other textile sector stakeholders organized a meeting with the Commerce Secretary Dr. Anup Wadhawan, IAS on March 4, 2020 at Coimbatore. Dr. Wadhawan also visited a garment manufacturing facility at the Netaji Apparel Park in New Tirupur along with AEPC Chairman Dr. A. Sakthivel

### 20) Seminar on Opportunities and Challenges in Export

A seminar on "Opportunities and Challenges in Export" through ECGC was conducted on 5.3.2020 at Hotel Hans Plaza, Connaught Place, New Delhi. Mr. Saurabh Srivastava, Branch Manager-ECGC briefed about the compliance of policy. Mr. Shahid Ahmad, Manager-ECGC gave a presentation on the Role of Export credit agencies, role of the ECGC, Benefits of Export Credit Insurance & risk covered by ECGC.

### 21) Exporters' Meet cum Workshop on new GST Return

AEPC organized an Exporters' meet cum workshop on new GST Return on 10<sup>th</sup> March, 2020 at Tirupur in association with the O/o The Central Board of Indirect Taxes and Customs to create awareness among the exporters and Tax payers followed by open house discussion.

The meeting was attended by several officials from the O/o GST, Customs and DGFT including Sh. D. Anil, IRS, Commissioner of Customs, Trichy/Tuticorin, Sh. Rajesh Sodhi, IRS Commissioner, Dr. Periasamy, IRS, Addl. Commissioner (GST) Coimbatore, Sh. T. Sidharthan, IRS, Deputy Commissioner(GST), Tirupur, Mr.Sraman, ITS, JDGFT Coimbatore, Dr. R. Sankara Narayanan, Dy. Comm., ST(state) and Assistant Commissioners from Tirupur/Tuticorin from Customs, GST,ST.



### 22) Awareness Workshop on National Apprenticeship Promotion Scheme

AEPC in association with Apparel, Made-Ups & Home Furnishing Sector Skill Council (AMHSSC) had organized a Workshop on "Awareness Workshop on National Apprenticeship Promotion Scheme" in Tirupur on 14<sup>th</sup> March, 2020.

The event was presided over by Dr. A. Sakthivel, Chairman, AEPC. In his presidential address, he emphasized the necessity of promoting of this scheme in Apparel Sector and exporters community would benefit from the modification brought in the Apprenticeship Act. He further said that these provisions have been made by the Government of India, predominantly to enable the fresh skilled/unskilled manpower to undergo practical on the job trainings to ensure that, ultimately, readymade workers join the Industry.



### 23) AEPC partners with Goonj for recycling waste cloth in apparel units.

AEPC had partnered with Goonj, an award winning NGO working on recycling/ up cycling used clothes and rags. Under the partnership, AEPC requested to its members to contribute used Cotton Clothes and recyclable industrial wastes for effective reuse by Goonj. Through its collection centers in Head Office in Gurgaon and regional offices in Bangalore, Chennai, Delhi and Mumbai, the Council wants to help the industry in recycling its waste and reduce landfills.

### Important Issues taken up by AEPC with various Government Authorities

1. Representation sent to DGFT on 12.4.2019 regarding Show Cause Notices for non-fulfillment of export obligation to non-functioning erstwhile Directors of 'Transferor'-Company taken over/amalgamated with another 'Transferee Company'.
2. Request seeking Clarification on procedure of applying ROSTL and disbursement of Scrips sent to DGFT on 22.4.2019.
3. Request to consider clubbing of ladies shirt and ladies blouses as single SION code sent to DGFT on 13.5.2019.
4. Request dated 22.5.2019 regarding issues of Embroidery units relating to EPCG sent to DGFT.
5. Request for inclusion of industrial sewing machine attachment digitally controlled button feeder attachment under TUF scheme sent to TXC on 30.5.2019.
6. Recommendations for simplification in the implementation of ATUFs policy in garment export sector sent to Textile Commissioner on 30.5.2019.
7. In order to facilitate and promote the knitwear and woven garment exports, a Note on Apparel Export Trends, Constraints and Strategy submitted to Hon'ble Minister of Textiles on 12.6.2019.
8. Request dated 18.6.2019 for exempting apparel exporters from 100% mandatory examination of export consignments sent to Chairman-CBIC.
9. Representation for continuation of MEIS for Textile, Apparel and Made-Ups sent on 30.7.2019 to Hon'ble Prime Minister and Hon'ble Finance Minister.
10. Request regarding Extension of date for removing SB0005 error sent to Chairman, CBIC on 6.8.2019.
11. Request dated 12.8.2019 for continuation of all support scheme for apparel sector sent to Hon'ble Prime Minister.
12. Representation sent to OSD to PM on 6<sup>th</sup> September, 2019 in regard to discontinuation of MEIS and delay in implementation of ROSCTL serious impact on Apparel Industry.
13. Representation sent to Hon'ble Commerce Minister, Hon'ble Finance Minister and Hon'ble Textile Minister on 12<sup>th</sup> September, 2019 regarding continuation of MEIS beyond 1<sup>st</sup> August, 2019.
14. Representation sent to Hon'ble Union Minister of Textiles on Policy measure for reviving the textile industry from the crisis on 4.10.2019 (jointly-AEPC, CITI, CMAI SRTEPC PDEXCIL, TEXPROCIL



AND ITTA)

15. Representation sent to Hon'ble Finance Minister in regard to highlighting that banks announcing stressed loan amount of MSME as NPA and delay in sanctioning of loan by PSUs' bank on 11.10.2019.
16. Request for continuation of 4% MEIS+ ROSCTL sent to CEO, NitiAayog on 11.10.2019.
17. Representation dated 01.02.2020 sent to Hon'ble Prime Minister of India for an early FTA with EU and CEPA with Australia & Canada and initiating a bilateral agreement with UK to mitigate this disadvantage.
18. Request letter dated 02.03.2020 sent to Secretary(Textiles) for their attention in release of pending ROSL cases.
19. Request dated 02.03.2020 sent to Secretary Revenue for considering the gap by restoring 4% MEIS at least till 31.03.2020 .
20. Request dated 02.03.2020 sent to Secretary (Textiles) for considering extending benefits of Special Advance Authorisation scheme to Advance Authorisation holders.
21. Representation dated 31.03.2020 was sent to Hon'ble Prime Minister of India for help the Apparel Industry to overcome the present liquidity crisis with specity Relief package due to Impact of Covid-19.
22. Request letter dated 03.03.2020 sent to Hon'ble Commerce & Industry Minister with thanks for their consistent support and specifically to the apparel exporters who are member of AEPC.
23. Request letter dated 03.03.2020 sent to Joint Secretary SME for re-considered the basis of turn-over/earnings instead of investments on establishing the units and machinery purchase.
24. Request letter dated 05.03.2020 sent to Hon'ble Minister of Textiles for non-implementation of Bill No V of 2020 in Rajya Sabha on 07.02.2020.
25. Representation dated 06.03.2020 sent to Secretary (Textiles) for consider relaxing the existing norms for the repayment period under the capital Investment subsidy (CIS) of ATUFS.
26. Request dated 13.03.2020 sent to Revenue Secretary for their consideration and extending all assistance to apparel sector in MEIS and ROSCTL
27. Representation dated 17.03.2020 sent to Hon'ble Minister of Textiles to use their good offices to impress upon the Hon'ble Finance Minister for immediate relief to Apparel Exporters.
28. Representation dated 17.03.2020 sent to Hon'ble Minister of Finance for urgent remedies and support to Apparel Sector in Current Situation.
29. Representation dated 17.03.2020 sent to Minister of State for Labour and Employment (Independent charge) for urgent remedies and support to Apparel Sector in Current Situation.
30. Representation dated 18.03.2020 sent to MD & CEO, RBL Bank for recognizing the volatilities in the global Apparel Markets and order postponements/cancellations.
31. Representation dated 18.03.2020 sent to DGFT for relaxation in the Foreign Trade Policy and procedures for the year 2020-2025.
32. Representation dated 19.03.2020 was sent to Hon'ble Prime Minister of India

with a request to create a “Corpus Fund” for exporting industry to survive , specifically Apparel to meet the emerging exigencies.

33. Representation dated 26.03.2020 was sent to RBI Governor requesting their support for the volatilities in the global apparel markets and order postponements/cancellations
34. Representation dated 27.03.2020 was sent to RBI Governor for relief measures announced and swift response to the unprecedented situation for Apparel Industry.
35. Request dated 28.03.2020 was sent to Secretary (Textiles) for Extension/Enhancement of validity of present Export Performance Certificates and Import Certificates.
36. Representation dated 31.03.2020 was sent to Hon'ble Minister of Micro, Small, Medium Enterprises requesting for an Apparel Export Industry Specific Relief Package due to Impact of Covid-19.
37. Representation dated 31.03.2020 was sent to Hon'ble Labour Minister requesting for an Apparel Export Industry Specific Relief Package due to Impact of Covid-19.

## Drawback

Cost Data for Ready Made Garment Industry submitted on – 22.11.2019 to Chairman – Drawback Committee, Joint Secretary –Drawback, Deptt. of Revenue and Trade Advisor –Ministry of Textiles.

## Apparel India Magazine

As part of our responsibility towards the environment, the apparel India magazine moved into an e-magazine, so that our voice and vision reaches far and wide, without adverse environmental footprints.

## EXPORT PROMOTION

### International Fairs

**(1) Hong Kong Fashion Week, Hong Kong (8-11 July, 2019)** - The Council participated in Hong Kong Fashion Week, Hong Kong held from 8-11 July, 2019 with 14 booths (12 exhibitors + 1 AEPC) from India. 9000 visitors from 15 countries visited the fair and business of approx. USD 1.53 mn. was generated. The event was approved under MAI scheme.

**(2) India Trend Fair (ITF), Tokyo, Japan (24 – 26 July, 2019)** - The Council participated in India Trend Fair, Japan held from 24 - 26 July, 2019 with 51 booths (50 exhibitors + 1 AEPC) from India. 2749 buyers + visitors visited the fair and business of approx. USD 10.03 mn. was generated. The event was approved under MAI scheme.

**(3) Sourcing at Magic, Las Vegas, USA (11 – 14 August, 2019)** - The Council participated in Sourcing at Magic, Las Vegas, USA held from 11 – 14 August, 2019 with 20 booths (17 exhibitors + 1 AEPC) from India. Approx. 1000 visitors visited the fair and business of approx. USD 3.00 Million was generated. The event was without MAI Scheme.

**(4) Who's Next Fair, Paris (6-9 Sept., 2019)** - Council has also participated 1st time in Who's Next Fair held from 6-9 Sept., 2019 at Paris, France with 20 booths (20 exhibitors + 1 AEPC). About 800 visitors visited the India Pavilion and business of approx. USD 1.05 mn was generated. The event was approved under MAI scheme.

**(5) India Apparel & Accessories Fair, Madrid, Spain (09 – 10 October, 2019)** - Council has organized India Apparel & Accessories Fair at

Madrid, Spain from 09 – 10 October, 2019 with 30 booths (28 exhibitors + 1 AEPC). About 143 buyers from 90 companies visited the event and business of approx. USD 1.03 mn. was generated. The event was approved under MAI scheme.

**(6) International Sourcing Expo Australia (ISEA), Melbourne, Australia (12 – 14 November, 2019)** - The Council participated in International Sourcing Expo Australia (ISEA), Melbourne, Australia held from 12 – 14 November, 2019 with 19 exhibitors + 1 AEPC from India. About 4251 visitors visited the fair and business of approx. USD 277100 was generated. The event was approved under MAI Scheme.



**(7) Sourcing at Magic, Las Vegas, USA (04 – 07 February, 2020)** - The Council participated in Sourcing at Magic, Las Vegas, USA held from 04 – 07 February, 2020 with 23 booths (19 exhibitors + 1 AEPC) from India. Business approx. USD 10.03 Million is generated. The event was without MAI Scheme.

## Delegations

Visit of High Level Trade Delegation to Bogota-16-17 Oct. (Colombia), Medellin- 18 Oct. (Colombia) and Lima (Peru) - 21-22 Oct., 2019.

A high Level Trade Delegation visited Bogota & Medellin (Colombia) and Lima (Peru) under the

leadership of Shri H K L Magu, Chairman-AEPC who was accompanied by Shri Rakesh Vaid, Executive Committee Member-AEPC and Shri Balram Kumar, Director (MoT) and Secretary General-AEPC.

The objective of the Delegation was:

To meet garment Buyers, Associations, Chain Stores, Departmental Stores and big importers dealing in garment buying with a view to set up institutional mechanism for increasing exports of apparels from India to Colombia and Peru. The delegation also invited garment buyers to India Intl' Garment Fair scheduled from 20-22 Jan., 2020 at Pragati Maidan, New Delhi.

## Domestic Events

Apparel Export Promotion Council (AEPC) under its awareness initiatives programme organised Fashion Forecast Seminars during the months of February/March, 2020. The first Fashion Forecast Seminar was organized on 10<sup>th</sup> Feb, 2020 at Gurgaon for Spring/Summer 2021 & Autumn/Winter 2021-2022 seasons.

The first phase of Seminar Series was scheduled from 10th February to 14th February with successful delivery of half-day seminars in 4 cities named Gurgaon, Kolkata, Bangalore and Mumbai. The second series were scheduled from 3<sup>rd</sup> March to 7th March covering other 4 cities named Tirupur, Noida, Ludhiana and Jaipur. Events witnessed active participation from Exporters, Buying Houses, Retail Brands and Designers with 814 no. of participants. Overall response as per feedback received from the participants was good.

The presentation was supplemented with mood boards, sample garments, fabric swatches and hand outs for attendees. Seminars were accompanied by interactive sessions where participants had one-on-one discussion with Kim Manino and Charlie seeking her expertise

and advice for their respective business categories. The presentations received very good response with attendees expressing their willingness to participate in similar events in future also. 1<sup>st</sup> time WGSN had provided QR codes for easy download of the presentation and that was received very well by the participants.

Council is also providing WGSN online fashion forecast services to all its members free of charge. Members can avail the services at any of the AEPC offices located near to them.



## RISK MANAGEMENT POLICY

The COVID-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession. The pandemic has impacted, and may further impact to our entire stakeholder. However, AEPC is doing all that is required to ensure business continuity and working tirelessly to mitigate the risks. We are monitoring the evolving situation carefully to understand the potential impact on our people and Apparel Industry.

Further, 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 are covered under the appropriate insurance policies. Various adequate insurance policies, to cover various risks relating to its employees, are taken by the office.

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

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

## HUMAN RESOURCES

### i) Appointment of Secretary General and Additional Secretary General

- a) Mr. Sanjeev Nandwani has been appointed as Secretary General of the Council w.e.f 02<sup>nd</sup> December, 2019
- b) Mrs. Jyoti Kaur has been appointed as Additional Secretary General of the Council w.e.f 01<sup>st</sup> January, 2020.

### ii) International Women's Day Celebration

Council celebrated the International Women's Day on 8th March, 2020 at Head Office, Gurugram and other Regional offices of the Council:

### iii) Health Camp

AEPC in association with its insurer M/s. The New India Assurance Co. Ltd. and its TPA M/s.



Vipul Medcorp TPA Private Limited organized a 'Health Check-up Camp' for Council's employees based at HO & Delhi/NCR on 27<sup>th</sup> November, 2019 at Apparel House, Gurugram.

The camp had the facilities for tests and specialists' consultation on cardiac disease, physiotherapy, eye check up along with ECG facility. In addition employees' BMI, Random blood sugar, blood pressure had also been examined in the camp. Special sessions were organized on Thyroid disorder and Abdominal Obesity. Under the alternative therapy treatment Homeopathy Consultation was made available for the employees in the camp.

The Health Check-up Camp was conducted under the supervision of qualified health specialists from renowned medical institutes. Over 70 employees of the Council attended the Health Check-up Camp.

#### **iv) Launch of Policy on Prevention, Prohibition and Redressal Sexual Harassment of women at work place**

A detailed policy is circulated and uploaded on council's website on the Prevention, Prohibition and Redressal Sexual Harassment of Women at work place of the Council and necessary provisions were incorporated in the Rules of Discipline 1983 of the Council's Service Rules, as given in The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

Consequent to this sixteen awareness sessions on the above referred policy were conducted during September, 2019 by the HR Department for the employees of the Council and employees of the other service providers at Head Office and by Regional Office in-charges at their respective regional offices.

#### **v) Martyrs' Day Observed On 30<sup>th</sup> January, 2020 with due solemnity and solidarity**

Council observed Martyrs' Day on 30<sup>th</sup> January,

2020 to give respect to country's freedom fighters and paid homage to the martyrs who fought for the freedom and gave their lives in the struggle of the nation's freedom by observing a 2 minutes' silence at 11.00 am on 30<sup>th</sup> January, 2020. Poem recitations were also done in the glory of the country's brave soldiers.

#### **vi) New Year Celebration**

Chairman, AEPC hosted the New Year lunch on 8th January, 2020 at Apparel House, Gurugram wherein some of the EC members of the Council and Head Office based employees were present. The celebration started with Chairman's address which was followed by the then Chairman's speech and other EC members also shared their views.



#### **vii) Diwali Festival Celebration**

Council celebrated "Diwali Festival" on 25th October, 2019 at Apparel House, Gurugram. On the Occasion Mr. H K L Magu, the then Chairman, AEPC, lit the lamp, with other eminent guests. Laxmi Poojan was held during the occasion after which IT Department launched "AEPC e-Market Place".



## EXPORT PERFORMANCE CERTIFICATE

The Council issued Export Performance Certificates in line with Deptt. of Revenue Notification no. 03/2019-Customs dated 29.01.2019 to its members/exporters for import of eligible items or trimming and embellishment under 5% duty free entitlement scheme of the Govt. of India. During the year 2019-2020, 923 Export Performance Certificates were issued. Post verification of Bank Certificates and CA Certificates, 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 or readymade garments are being carried out by the EPC holder. During 2019-2020, 100 nos. of units were visited by AEPC representatives.

### AEPC SKILL ASSESSMENT CELL

The Skill Assessment Cell (SAC) operates out of Apparel House, Gurgaon was established in September 2009 with the objective to impact the skill assessment initiatives in Apparel / Garment, Khadi and Carpet sectors for employment generation, economic growth and social development.

Council has been affiliated with under mentioned schemes till date:

- In June 2009 with Directorate General of Employment & Training (DGE&T) to assess in Apparel, Textile, Khadi and Carpet sectors under Skill Development Initiative (SDI) Scheme for MES Courses of Ministry of Skill Development & Entrepreneurship.
- In July 2013 with Integrated Skill Development (ISD) Scheme of Ministry of Textiles for Non-MES courses for

Apparel & Textile sector. AEPC has also been empanelled with Resource Support Agency (RSA), Textiles Committee in September 2015 to conduct assessments under the ISD Scheme. The scheme has been re-launched as SAMARTH for which council had made a request to empanel with.

- In March 2016 with Apparel, Made-Ups & Home Furnishing Sector Skill Council (AMHSSC). The affiliation gets renewed every year for assessing the candidates under PMKVY and Non PMKVY schemes under the Ministry of Skill Development & Entrepreneurship. The current validity of affiliation is up to March, 2021.

- Further gained the affiliation with AMHSSC for assessing the batches of DGE&T on December, 2019, as the scheme moved under the banner of AMHSSC.

- In November 2019 affiliated with Karnataka Commissionerate of Industrial Training & Employment (KVIT), Skill Mission at Karnataka state.

Since its inception from 2009, till date council, in the above stated schemes i.e. SDIS, ISDS and PMKVY & Non PMKVY, has assessed over 1.58 lakhs candidates.

### ASSET MANAGEMENT

- a) The AEPC premise at Karumuttu Centre, Chennai having 5610 sq. ft. area leased out to M/s. GENID Shipping & Logistics Pvt. Ltd. @Rs. 61/- per sq. ft. per month + GST for 3 years w.e.f. 11.11.2019 as per Executive Committee approval.
- b) The construction work of Vastra Bhawan Building at Hyderabad was started during April, 2019 and civil work is

- completed for both the Blocks. The work of Sanitary & Plumbing, Electrical and External Development is under progress. The completion of the project is delayed due to COVID-19 impact and Nationwide Lockdown.
- c) The MOU signed between AEPC and ATDC in respect to AEPC KTM building at Tirupur renewed for 2 years w.e.f. 01.12.2019 to 30.11.2021.
- d) The Lease agreement signed between GCCI and AEPC in respect to AEPC Regional office at Ahmadabad extended for 1 year w.e.f. 01.01.2020 to 31.12.2020 @ Rs. 30188/- + GST / month.
- e) The Lease Agreement of AEPC premises at D-201 & D-202, Railway Station Complex, Sanpada, Navi Mumbai admeasuring of 8200 sq. ft. of Carpet Area (9938 sq. ft. built up area) extended further for 4 years w.e.f. 21.10.2019 to 20.10.2023 @Rs. 41.80 per sq.ft. per month + GST with M/s. Reliance Digital Platform and Project Services Ltd.
- f) As per EC decision, fresh Lease Agreement for 5 years w.e.f. 01.11.2019 to 30.10.2024 @Rs. 49,500/- per month + GST signed between AEPC and M/s. Prakash Arts for installation of Hoarding Poll at AEPC premises at Hyderabad.
- g) All the statutory taxes such as property tax, maintenance charges cess etc. have been deposited with authority concerned in respect to AEPC's premises wherever applicable.

## SECRETARIAL & MEMBERSHIP

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

During the year 2019-20, 1006 new Registered Exporters were enrolled.

The position as on 31st March, 2020 is as under:

Type	MER	MCM	MAF	Total
Member Exporters	126	19	1072	1217
Registered Exporters	2507	312	4233	7052
			G. Total	8269

MER : Merchant

MCM : Merchant cum Manufacturer

MAF : Manufacturer

The total number of Registered Exporters converted as Member as on date is 2584, since inception. System has been developed whereby intimation is sent to those Registered Exporters who fulfil the eligibility criteria for conversion to Member Exporters.

## NUMBER OF EXECUTIVE COMMITTEE MEETING

During Financial Year 2019-20, 6 Nos of Executive Committee meetings were held as detailed below:-

Serial No.	Date
1	10.06.2019
2	07.08.2019
3	30.10.2019
4	06.01.2020
5.	31.01.2020
6.	17.02.2020

## EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2019-20 is available at the website of the council i.e [www.aepcindia.com](http://www.aepcindia.com).

## 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 will be to discuss, deliberate emergent issues pertaining to Central/State matters concerning the garment export industries. The Committee will advise the Chairman on crucial various matters pertaining to ministries such as Commerce, Finance and Textile etc., and also all legal matters.

### 2. Export Promotion Committee

The committee will monitor and decide on various international/domestic 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. To organize various events at Apparel House, Gurugram.

### 3. Staff Committee

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

### 4. 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.

### 5. 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 concerned State Government.

### 6. CSR Committee

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

### 7. Apparel House Management Committee

- The Committee to look after day to day functions, regarding allotment/re-allotment of showrooms and managing of showrooms at Apparel House, Gurugram.
- To look after the maintenance and running of the Apparel House, Gurugram and other related matters.

## APPAREL HOUSE

AEPC holds 5 acre of prime land in the heart of Gurgaon in Sector-44, Institutional Area near Huda City Centre known as "Apparel House". It is



within one km from HUDA City Centre Metro Station, around 18 km from International airport and 30km from New Delhi Railway station

The Apparel House, a seven storied centrally air conditioned building (basement +7 floors) is equipped with modern state of art infrastructure having international facility for business with 250 permanent showrooms for government recognized garment exporters, Exhibition Hall consisting 3 halls (Ground and first floor), Art Gallery, Auditorium with a capacity of 312 seats and conference hall facility and open space like amphitheater and plaza area. The building also houses a Public Sector Bank. The building has a parking space for 250 cars with round the clock Security and Power backup, Housekeeping and Maintenance facility for upkeep of the building and its assets.

M/s SRS Group was engaged for providing multi-cuisine restaurant at its Apparel House premises to cater to the food and beverages requirement of the AEPC / Occupants / Delegates / Exporters / Importers / Buying agents, which are served in a hygienic and comfortable environment. The marketing and promotion / booking of Apparel House facilities like Auditorium, Art Gallery, and Exhibition Hall etc. is being taken care by AHM department for conducting Executive Committee approved events such as exhibitors of garment industries such as retailer, showroom holders, garment accessories and for exhibitions /functions/seminars/award ceremonies etc. which promote export and trade and for seminars which educate and train the manpower involved in Apparel Industry, other activities like carpet, leather, handicrafts, education, conferences, Textiles value chain and cultural shows etc. as and when the premises is/are vacant.

AEPC has undertaken several works towards repair and maintenance of Apparel House. The conventional lights of the entire first floor, outer lighting had been replaced with LED lights and civil, painting, carpenter and minor electrical

works have been carried out after following proper tendering process. Replacement of lighting of ground floor, Exhibition Hall with LED lights has also been completed after the due process of tendering. The tender for repair and up-gradation of audio-visual system of the auditorium was awarded and successfully executed. In addition, painting of external walls of Exhibition Hall along with various civil repairs had also been undertaken during the year 2019-20. During the year apart from various events organized at Apparel House, Gurugram, Police Expo -cum 3rd National Young Superintendent of Police Conference 2019 was also organized on 5th & 6th March, 2020 by Haryana Police. Senior Police Officers across the country participated in the 2 days conference. Dignitaries such as Hon'ble Chief Minister, Haryana, National Security Advisor - Shri Ajit Doval attended the Conference.

## STATE OF COMPANY AFFAIR

### (Financial Review)

- i. The net results show a surplus of Rs.3.71 crore as against surplus of Rs.4.84 crore during the previous year:

Particular	Amount 2018-19	Amount 2019-20	Difference Increase (Decrease)
Total Income	48.62	43.64	(4.98)
Total Expenditure	43.77	39.93	(3.84)
<b>Net Surplus</b>	<b>4.84</b>	<b>3.71</b>	<b>(1.14)</b>

- ii. The total income of the Council during the current year is Rs. 43.64 crore as compared to Rs. 48.62 crore during the previous year, indicating a decrease of revenue by Rs. 4.98 crore, details are as under

Source of Income	Amount 2018-19	Amount 2019-20	Difference Increase (Decrease)
Membership Income	6.16	6.01	(0.15)
Council Fees	8.45	7.95	(0.50)
Export Promotion Receipts	10.81	6.55	(4.26)
Assessment Income	0.38	0.32	(0.06)
Rent	13.16	13.41	0.25
Interest	8.35	8.71	0.36
Others	1.31	0.69	(0.62)
<b>Total</b>	<b>48.62</b>	<b>43.64</b>	<b>(4.98)</b>

- iii. The total expenditure of the Council during the current year is Rs. 39.93 crore as compared to Rs. 43.77 crore during the previous year, indicating a decrease of expenditure by Rs. 3.84 crore, details are as under

Head of Expenditure	Amount 2018-19	Amount 2019-20	Difference Increase (Decrease)
Salaries & Staff Benefits	17.33	17.20	(0.13)
Administrative & Office Expenditure	7.17	6.36	(0.81)
Meeting Expenses	0.89	1.31	0.42
Legal & professional Charges	1.82	3.94	2.12
Export Promotion & E&C Expenses	13.99	8.48	(5.51)
Assessment Expenditure	0.06	0.07	0.01
Depreciation	2.51	2.17	(0.34)
Donations/Contribution for CSR Activities	0	0.40	0.40
<b>Total</b>	<b>43.77</b>	<b>39.93</b>	<b>(3.84)</b>

- iv. An amount of Rs.8.48 crore was incurred on Export Promotion Activities as against Rs.13.99 crore during previous year. The contribution/income on EP Projects (including Govt. Grants of Rs.1.93 crore) during the current year was Rs.6.55 crore as against Rs.10.81 crore (including Govt. Grants of Rs.4.43 crore) during previous year
- v. During the year Council has incurred on capital expenditure Rs.3.66 crore (including Rs. 3.18 crore on Cwip-Hyderabad) against Rs.1.09 crore

(including Rs. 0.29 crore on Cwip-Hyderabad) during previous year.

### AMOUNTS TRANSFERRED TO RESERVES

No Amount is transferred to any separate reserve.

### MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

Spread of COVID-19 has affected the economic activity across the Globe including India. This impact on the activities & revenue of the Company will depend upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates, the Company due to COVID -19 pandemic does not anticipate any major challenge in meeting its Financial obligations, on long term basis. Further, the Company does not carry any risk in the recoverability and carrying values of its assets including Property, plant and Equipment trade receivable and investments. The Company does not anticipate any additional liability as at Balance Sheet date due to COVID-19 pandemic. However, the Company will closely monitor any material changes to future economic conditions impacting its operations.

### 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>Conventional lights replaced with LED for auditorium, Exhibition Hall and Entire Ground Floor at Apparel House, Gurugram.</li> <li>Bifurcation of pipeline done to conserve power consumed by the HVAC plant at Apparel House, Gurugram.</li> </ul>
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Steps taken for utilizing alternate sources of energy.	NIL
Capital investment on energy conservation equipments	<ul style="list-style-type: none"> <li>Replacement of conventional lighting for auditorium, Exhibition Hall and Entire Ground Floor to LED at Apparel House Gurugram...</li> </ul>

**b) Technology Absorption:**

Efforts made for technology absorption	<p><b>AEPC B2B Marketplace:-</b>          In the continuous efforts to boost the apparel export of India, AEPC introduced an electronic platform AEPC B2B Marketplace to the members of the council for promotion of their products and ultimately enhance the RMG exports of the country.</p> <p>The AEPC B2B Marketplace is a Platform for Matchmaking of requirements of the overseas buyers &amp; the products manufactured by Indian Apparel manufacturers &amp; Exporters. In this portal the AEPC member can make an online business profile with relative information. The overseas buyers may see the profile of exporter and send queries through this B2B portal to the exporter regarding the product &amp; related information. The buyer &amp; Exporter may share their contact details through the portal &amp; contact privately with each other.</p> <p>AEPC B2B Marketplace facilitate overseas apparel buyer to search the products made by Indian Apparel exporters of various categories and contact the Indian Apparel manufacturer / Exporter by submitting the queries online with Matchmaking facility.</p>
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Benefits derived	<p>The benefits derived from the AEPC B2B Marketplace are as follows:-</p> <ul style="list-style-type: none"> <li>Offers enrich &amp; unlimited listing of products of various categories.</li> <li>Buyer makes available search, compare, and directly contact to the exporter.</li> <li>Provides transparency and ease of searching the product &amp; contact with the exporters.</li> <li>One-stop shop for marketing with minimal efforts.</li> <li>User friendly dashboard for updating of profile, addition of new products &amp; Certificates</li> </ul>
Expenditure on Research & Development, if any	Nil
Details of technology imported, if any	Nil
Year of import	Nil
Whether imported technology fully absorbed	Nil
Areas where absorption of imported technology has not taken place, if any	NA

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

Earnings	Nil
Outgo	Rs.6.10 Cr.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year the Council did not enter 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 2019-20, in the prescribed format, AOC 2 has been enclosed with the report at Annexure-I.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Executive Committee of the Council has constituted CSR committee comprising of 7 members. The said committee in its meeting held on 19.03.2020, through video conferencing, recommended the following:-

a) The contribution of Rs.26,27,805/- towards CSR activities during the F.Y 2018-19 to be released in Prime Minister's National Relief Fund

b) The contribution of Rs. 14,19,800/- towards CSR activities during the Financial year 2019-20 to be released in Prime Minister's National Relief Fund.

Accordingly, the above amount has been transferred in the Prime Minister National Relief Fund on 23.03.2020 which was ratified in the 263<sup>rd</sup> Executive Committee Meeting held on 26.04.2020 through Video Conferencing.

Annual report on CSR activities is hereby annexed at annexure-II of this report.

## CHANGE IN NATURE OF BUSINESS

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

## DETAILS OF DIRECTOR OR KEY MANAGERIAL PERSONNEL, APPOINTED AND RESIGNED DURING THE YEAR

S.No	Name	Status
1.	Ms. Aditi Das Rout	Ceased as Govt. Nominee, due to section 167(1)(b) of the Companies Act 2013.
2.	Ms. Sarada G. Muraleedharan	Ceased as Govt. Nominee, due to section 167(1)(b) of the Companies Act 2013.
3.	Mr. Gyaneshwar Kumar Singh	Appointed as Govt. Nominee
4.	Mr. Keshav Chandra	Appointed as Govt. Nominee
5.	Mr. J.B.Jain	Ceased as Executive Committee Member.
6.	Mr. Vijay Kumar Agarwal	Re-elected as Executive Committee Member
7.	Mr. Premal Harikishon Udani	Re-elected as Executive Committee Member
8.	Mr. Rakesh Vaid	Re-elected as Executive Committee Member
9.	Mr. HKL Magu	Re-elected as Executive Committee Member
10.	Mr. Gautam Nair	Re-elected as Executive Committee Member
11.	Mr. K. M Subramanian	Re-elected as Executive Committee Member
12.	Mr. R. Ramu	Re-elected as Executive Committee Member
13.	Mr. B. Shanmugasundaram	Re-elected as Executive Committee Member
14.	Mr. Dilip Dudani	Elected as Executive Committee Member
15.	Mr. G.S.Madan	Appointed as Co-opted Member
16.	Mr. Jagadish N Hinduja	Appointed as Co-opted Member
17.	Mr. Sameer Bhuta	Appointed as Co-opted Member
18.	Mr. Rahul Mehta	Ceased as Co-Opted Member



19.	Mr. Sanjeev Nandwani	Appointed as Secretary General
20.	Mr. Sanjiv Malhotra	Retired as Secretary
21.	Mr. Sumit Gupta	Appointed as Secretary

## 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 women employees of the Council.

ii) Provide assistance to the victim to make the complaint in writing.

iii) 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.

iv) Organize workshops and awareness programmes at the regular intervals for sensitizing the employees with the provision of the Act and orientation programmes for the members of ICC in the manner as may be prescribed.

v) To take action for sexual harassment as a misconduct in accordance with the provisions of the service rules applicable to the respondent and initiate action for misconduct.

vi) Committee to submit annual report in each calendar year and prepare the cases received, disposed, pending and preventions measures during the year and submit the same to the employer.

During the year three 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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 2019-2020 does not contain any qualification, reservation or adverse remarks.

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

During the F.Y 2019-2020, Council doesn't provide 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 III to this Report.

## **RETIRING MEMBERS**

In accordance with the provision of the act and Articles of Association of the Council Sh. Pravin Agarwal, Sh. Narendra Kumar Goenka, Sh. Ravi Poddar from Western Region, Sh. Anil Peshawari, Sh. Sudhir Sekhri, Sh. Lalit Thukral from Northern Region, Dr. A.Sakthivel, Sh. Raja M Shanmugham, Sh. T.R.Vijayakumar from Southern Region and Sh. Anil Buchasia from Eastern Region are retiring by rotation. The Executive Committee places on record its appreciation for the guidance and valuable services rendered by the outgoing Executive Committee Members.

## **AUDITORS**

M/s. SCV & Co. LLP (Firm Registration No. 000235N/N500089) was appointed as Statutory Auditor of the Council at 39<sup>th</sup> AGM of the Council held on 28.09.2018 to hold the office from the conclusion of this Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting of the Council to be held in the year 2023.

## OTHER EMPHASIS MATTER

1) Public Accounts Committee in its 129<sup>th</sup> report dated 19.12.2018 Para II, Observations & Recommendations have discussed in succeeding paragraphs reported matters on flawed tendering and bidding process and undue post contractual benefits to M/s. TUL, as given below:-

### Para 2 Quote

The PAC committee desire that adequate staffing in the Internal Audit Wing may be done urgently to make sure that internal audits are conducted as per the schedule and the terms of reference for Internal Audit of the organizations in the Ministry may be reassessed to ensure that all the transactions above a threshold value are invariably audited. Further, a system of strong internal controls and reporting may be evolved to ensure transparent and fair dealings.

### Unquote

### Para 3 Quote

The PAC Committee while noting that AEPC had purchased this office out of the Export Promotion Fund and Fashion Design cum Office Building Reserve Fund in 1991, with grant from the Government of India, opine that the Executive Committee of AEPC has miserably failed in enforcing the relevant financial rules and therefore, their role in the same be inquired into and responsibility be fixed.

### Unquote

### Para 4 Quote

The PAC Committee, therefore, desire that explanation of the Government nominees for their inaction in the whole process may be called for an appropriate action.

### Unquote

### Para 5 Quote

The PAC Committee desire that the interest on

EMD may be deposited in Government Account in a time bound manner. Disheartened to note the lackadaisical approach of both the Ministry of Textiles in monitoring the affairs of AEPC and Ministry of Corporate Affairs for taking more than two years in submitting an interim report, the Committee desire that a robust mechanism for speedy detection and timely processing of cases of apparent irregularities be developed by the Ministries/ Departments of Government of India so that such cases are finalized at the earliest.

### Unquote

### Para 6 Quote

The PAC Committee desire to be apprised whether responsibility had been fixed against officials responsible for the lapses in discharging fiduciary duties and appropriate action taken against the officials. The Committee, noting that an interlocutory application is pending with the NCLT with regard to the management and functioning of AEPC, desire to be apprised of the arrangements made by the Ministry to oversee the functioning of AEPC before the decision on the matter is taken by the NCLT. The Committee also desire that the details of the outcome of the matter in NCLT may be intimated to the Committee as and when it is taken.

### Unquote

### Para 7 Quote

The PAC Committee take strong exception to the callous approach in responding to their queries and contradictory replies sent by the Ministry which has seriously hampered the examination of the subject by them. The Committee desire that the Secretary may look into the matter and take appropriate action against those responsible for such replies. Further, the committee desired to be apprised of the correct position within one month of the presentation of the Report to the House.

### Unquote

Based on PAC's report & CCA's recommendation, the MoT has written letter no.8/1/2016-EP (Pt-I) dated 31<sup>st</sup> October 2018 and reminder letter no. 8/1/2016-EP dated 14<sup>th</sup> January 2019, directed AEPC to deposit entire interest amount of Rs. 214.44 crore and Rs. 17.42 crore being the amount of revenue loss in the Consolidated Fund of India (CFI).

With the approval of QAA & SG- AEPC/ Chairman- AEPC, Council represented and has replied to the matter clarifying that, the interest on EMD is not payable because there is no provision of interest in Govt. Quota Policy and also there is no loss in letting out the premises as the fixation of rent was approved by the competent authority i.e. Executive Committee. The lease property is a property of the council and GFR rules are not applicable in the tendering process of leasing the property. The Council has adhered the laid down provision procedures duly approved by the EC of the Council and requested MoT to withdraw the letter. Chairman, AEPC vide letter no. AEPC:HO:CHRM:PAC (2018-19):2019/290 dated July, 22, 2019 addressed to Secretary (Textiles) informed that AEPC has not given any undue benefit to M/s Teesta Urja Ltd (TUL), but reduction in rent was due to the direction of PS to MoT conveyed vide note dated 28/01/2009.

Further, Chairman, AEPC vide letter no. AEPC:HO:CHRM:SINGLEA/C:2019/289 dated July 22, 2019 addressed to Secretary (Textiles) has sought information through CCA the basis under which the component of interest has been excluded from the income of AEPC and the basis on which a recovery of Rs. 214.44 crores has been demanded from AEPC by MoT vide letter dated 31.10.2018. It has also been requested by AEPC through office of CCA requested to know, whether report of the Single Account of AEPC conducted for the period 01.04.1978 to 31.03.2017 (conducted between 09.07.2018 to 20.07.2018 at AEPC) was on audit.

Ministry of Textiles vide communication no. 8/1/2016-EP (Pt.1) dated 14<sup>th</sup> October, 2019 has

forwarded a communication no. IAW/TEX/AEPC/10(54)/2017-18/733 dated 26/28.08.2019 of Principal Accounts Office, Ministry of Commerce & Textiles, Internal Audit Wing, New Delhi regarding deposit of interest of Rs. 214.44 crores in the Consolidated Fund of India. In the above, referred communication of Principal Account Office dated 26/28.08.2019, the following is indicated:-

### Quote

On the direction of then Secretary MOT, vide OM No.8/1/216-EP dated 05.07.2018 reconciliation of single account maintained in AEPC, was carried out on the basis of Audited Annual Accounts. The reconciliation was done to segregate council's income and Government money which was maintained in a single Account and to assess the source of funding of Bhikaji Cama Place. The reconciliation report on single account of AEPC for the period 1.04.78 to 31.3.17 conducted during 09.07.2018 to 20.07.2018 at AEPC, Gurgaon, submitted vide letter no. IAW/TEX/AEPC/10(54)/2017-18/195 dated 31.07.2018 was not an audit report.

“As regards the basis under which the component of interest has been excluded from the income of AEPC, it is to state:

i) It was directed by then Secretary, in his chamber, in the presence of Secretary General and Director Finance, AEPC that the component of Income generated by AEPC from its own resources may be separated from the gross income, to calculate, how much Government money it was holding every year. Therefore the components of income mentioned in the MOA of AEPC were segregated from other income of AEPC.

ii) From the file noting made available by AEPC, it has been understood that unclaimed EMD amounting to Rs. 48 Crore was not allowed to be retained in AEPC after CAG observation and had to be deposited into Govt. A/c in the year 2017. Wherefrom, it was gathered that EMD was



Government money. Once it is established that EMD was Government money, the interest earned on the Govt. money also become refundable to Government. Therefore the component of interest was excluded from the income of AEPC.

iii) Further, since there has been a continual deficit between income and expenditure of AEPC, it has been understood that the whole interest earned by AEPC was on EMD.

The above observations were communicated to MOT in the reconciliation report and since MOT has formulated quota policy, the decision of recovery of interest earned during 48 years i.e. Rs. 214 crore by MOT must have been taken in view of the quota policy.

This issues with the approval of Chief Controller of Account.

### Unquote

The Council has also filed a Writ Petition at Delhi High Court, where the Court on 24<sup>th</sup> May, 2019 & 19<sup>th</sup> August, 2019 stayed the matter. The matter is sub-judice.

The office of Sr. Audit Officer, CAG Audit party vide communication dated 26.09.2019 asked the vetting remarks on AEPC Para 17.1 of report no.11 of 2016, verification of ATN. The Council has replied and provided the requisite documents/information vide communication dated 01.10.2019.

2) Inspection of Books of Accounts was carried out by MCA u/s. 206 (5) of Companies Act, 2013 on the recommendation of Ministry of Textiles for appointment of a Govt. administrator through their letter dated 12.07.2016 to MCA. The MCA had issued interim report dated 11/07/2018 and 20/11/2018 to AEPC. The Observation raised by MCA are replied by the Council through letter dated 23/07/2018 and 30/11/2018 respectively. MCA has submitted its final Report dated 07/12/2018 at NCLT in the matter of Affordable

Export Vs AEPC & Ors. where beside the general queries as raised by CAG/CCA, they have also pointed out certain non-compliance in terms of Section 447/448/129 of companies Act, 2013. Apart from it the MCA has filed a complaint u/s 447-448 for contravention u/s 447-448 of the Companies Act, 2013 in the court of LD. ASJ (SPL Court), Dwarka Courts, Delhi on 14 signatories of the Annual Accounts w.e.f. 2004-05 to 2016-17 and auditors (except signatories who were Govt. servant) and summon them individually. The respondents in the matter have filed application U/s 482 of CrPC before the Hon'ble High Court Delhi praying for quashing of said complaint, where the Hon'ble Court has exempted the respondents for personal appearance before the Dwarka Special Court till further orders. The matter is Sub-judice.

Executive Committee in its 257<sup>th</sup> meeting held on 10/06/2019 has recorded that Joint Secretary level Government officers were appointed by Government of India as DG/QAA, who were also Government Nominee. On their recommendations, the government used to announce quota opening. DG/QAA were the authority up to 31/12/2004 to compute the quota, allocate, certify and monitor the quota matters and also raise a claim on non-performance as per Garment Export Entitlement Policy (Refer para 2 (i) of the GEEP 1/128/99 Exports-I dated 12.11.1999. DG/QAA were the authority to reject the applications for quota allotment / revalidation and ordered return of EMDs. Such applications and EMDs were in Non-EMD space for which no further action was required since no quota's were computed / allocated or certified. For EMD space allocation and certification of quota is necessary.

DG/QAA took into account only those EMDs, where applications were accepted and computed and allotted quota / or revalidated and certified the quantity for exports etc. These EMD only came in EMD space. DG/QAA raised claim of forfeiture as per speaking order, which were to be supported by BG/FDR/DD/ Block BG/LUT/PDC Para 12(i), ii(a), ii(c), (vi), (x), (xi), Garment

Export Entitlement Policy. The amount of forfeiture (emphasis supplied) was only due to be remitted to PDA/CFI as per amount shown in the speaking order. There is no concept of Principle amount of EMD in GEEP. The amount due for release or to be forfeited is the amount in the Speaking Order. The GEEP has no provision of interest. If the Speaking Order is for the forfeiture is Rs.1,00,000/- and in subsequent appellate authorities it is reduced to RS.50,000/-, the BG shall be encashed for Rs.50,000/- or exporter shall pay Rs.50,000/- by DD and BG of full amount will be released. No question of interest. Similarly same applies to FDRs/DD/PDC/LUT as the case may be. Rs.50,000/- goes to Government. However, if EMD was originally in form of DD with AEPC, QAA remitted Rs.50,000/- to PDA/CFA and interest remained in AEPC books of account, which DG, QAA & Government Nominee invested in bank for earning interest for AEPC. All DG's, QAA, Government Nominee accordingly approved the Annual Report with Income & expenditure statements, Balance Sheet and Notes, showing interest earned as AEPC income, before these were presented before Executive Committee to give its final approval. Similar practice of keeping of books of account, treatment of interest income as AEPC income was continued up to 2018-19.

Chairman also informed about the factual position of Rs. 48.62 Cr shown in the balance sheet as on 31.03.2016 and has been elaborated as follow in Note 21 of the Annual Report of 2015-16.

“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 favor 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 deposited Rs. 48,62,44,629/- during the year 2016-17 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.

The amount of Rs 48.62 Cr is in-fact has been in the books of accounts prior to the period 31.03.2004. A statement of the factual position for the period 1995-96 to 2003-04 showing the amount as liability is given below.

Statement Showing the position of Rs. 485788675.66 in the liability side (Other Current Liabilities) bench marked in the Annual Accounts 2013-14 & same information in the year 1995-96 to 2018-19, with details of:

<b>Financial Year</b>	<b>Earnest Money Deposit-Quota/Earnest Money Deposit (As per Annual Report)</b>	<b>EMD-FDR/EMD Forfeiture-FDR (As per Annual Report)</b>	<b>Interest on EMD-FDR Encashment (Clubbed under Other Liabilities till 2010-11 therefore extracted from "Tally" Accounting Software)</b>	<b>EMD-Stale/Returned Cheques etc (Clubbed under Other Liabilities till 2010-11 therefore extracted from "Tally" Accounting Software)</b>	<b>Total EMD Liabilities (2+3+4+5)</b>	<b>Schedule No. /Note No. in the respective Annual Report of AEPC for reference)</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1995-96	420526339.21	409548122.10	39348273.13	5792088.10	875214822.54	Schedule 4 Current Liabilities & Provisions
1996-97	386251957.10	420033953.76	37562192.51	6576686.60	850424789.97	Schedule 5 Current Liabilities & Provisions
1997-98	367430278.42	375977114.49	36128675.16	6633761.48	786169829.55	Schedule 5 Current Liabilities & Provisions
1998-99	363648410.43	330221049.04	36213027.46	13008582.33	743091069.26	Schedule 4 Current Liabilities & Provisions
1999-00	396207333.30	306793834.80	57348471.97	15265439.28	775615079.35	Schedule 4 Current Liabilities & Provisions
2000-01	385723803.35	565959381.37	64653635.08	23241961.22	1039578781.02	Schedule 4 Current Liabilities & Provisions
2001-02	407749449.30	757945481.23	62500812.07	21319840.69	1249515583.29	Schedule 4 Current Liabilities & Provisions
2002-03	439165869.84	785539218.83	69892677.94	24370985.74	1318968752.35	Schedule 4 Current Liabilities & Provisions
2003-04	426160632.25	735436995.00	69919104.19	23783956.99	1255300688.43	Schedule 4 Current Liabilities & Provisions
2004-05	472313139.70	666672933.30	72252261.43	29512818.70	1240751153.13	Schedule 4 Current Liabilities & Provisions
2005-06	395538761.00	222050376.59	72347627.18	31236065.02	721172829.79	Schedule 4 Current Liabilities & Provisions
2006-07	369534178.49	114295560.59	71497269.03	34158882.77	589485890.88	Schedule 4 Current Liabilities & Provisions

2007-08	360404158.00	66261281.00	70569640.00	43618434.00	540853513.00	Schedule 4 Current Liabilities & Provisions
2008-09	361865146.00	51944429.97	70784996.01	39433318.41	524027890.39	Schedule 5 Current Liabilities & Provisions
2009-10	357560837.00	43699440.97	70540812.40	39065342.14	510866432.51	Schedule 6 Current Liabilities & Provisions
2010-11	363386669.97	15349880.00	73746327.91	39564123.35	492047001.23	Note-6 Other Current Liabilities
2011-12	490346338.62	All the EMD liabilities are Merged and shown under Earnest Money Deposit.			490346338.62	Note-6 Other Current Liabilities
2012-13	486968914.90				486968914.90	Note-6 Other Current Liabilities
<b>2013-14</b>	<b>485788675.66</b>				<b>485788675.66</b>	Note-6 Other Current Liabilities
2014-15	486240579.68				486240579.68	Note-6 Other Current Liabilities
2015-16	485422944.50				485422944.50	Note-6 Other Current Liabilities
2016-17	2024043.00				2024043.00	Note-6 Other Current Liabilities
2017-18	2024043.00				2024043.00	Note-6 Other Current Liabilities
2018-19	2100364.00				2100364.00	Note-6 Other Current Liabilities

### Note:

1. The Schedule VI (Revised) of Companies Act 1956, introduced during financial year 2011-12 and accordingly the liability has been regrouped and shown in the Column no.6.
2. Since financial year 2011-12 & up to 2018-19, the position has been shown as one data for re-grouped EMD liabilities in column number 2 & 6.
3. From the year prior to financial year 2011-12, the EMD liabilities which were shown under different heads of current liability of the respective annual accounts, have been grouped to show cause as combined figure comparable to the position shown in 2011-12 onwards.
4. From the above statement it is visible that, the EMD liability were a running account, the

balance were reduced due to releases to the exporters, forfeiture of EMD amount as per Garment Exporter Entitlement Policy (GEEP) and deposit to the Govt. The releases were made in the form of release of FDR submitted by the exporters and Cheques issued as changed from the EMD accounts on the specific approval of QAA, the enhancement of balance are due to encashment of EMD FDR held with the Council.

5. The QAA, was appointed for residual Quota entitlement Policy w.e.f. 01.01.2005. The QAA's were Sh. R. Subrahmanyam, IAS w.e.f. 20.07.2005, Sh. AN Sharan w.e.f. 03.01.2006, Sh. Vimal Kirti Singh w.e.f. 28.05.2008, Mrs. Madhavi Das w.e.f. 11.08.2011, Sh. Puneet Kumar w.e.f. 06.12.2013, Sh. Ram Singh w.e.f. 02.06.2016, Mrs. Jaya Dubey w.e.f.04.05.2018 and Mr. Balram Kumar w.e.f 11.03.2019. During the period where there



was no QAA appointed by the Ministry, the Quota residuary matters were dealt with the approval of JS (Exports), MoT. Directly.

(Since Tally is available from this period only). Manual data is available even for the period prior to 1994-95 on this account). This may further be seen that the annual reports were approved by Director General, AEPC / Quota Administering Authority, a Government Nominee, who themselves on one hand kept the amount under liability side and on the other hand, invested AEPC money in banks for earning interest for AEPC. DG / QAA kept a very good separate record of EMD / BG amount forfeited in complete compliance of Quota Policy and accordingly remitted the forfeited amounts along-with interest earned on forfeited amount to AO-Ministry of Textiles for onward submission to PDA/CFI.

S.No	FY	Annual Report approved by DG/QAA & Govt. Nominee
1	1994-95	Shri H V Lalringa, IAS
2	1995-96	Shri H V Lalringa, IAS
3	1996-97	Shri H V Lalringa, IAS
4	1997-98	Shri H V Lalringa, IAS
5	1998-99	Shri Rajiv Takru, IAS
6	1999-2000	Shri Rajiv Takru, IAS
7	2000-01	Shri Rajiv Takru, IAS
8	2001-02	Shri Sudhir Bhargava, IAS
9	2002-03	Shri S B Mathur, IAS
10	2003-04	Shri S B Mathur, IAS

In the period prior to FY 1994-95, Director General – AEPC were JS level Govt. nominees viz Shri I J S Khurana, IAS (1986, 1987), Shri P R Kaushik, IAS (1988-89), Shri J N Chaubey, IAS (1989-90), Smt. Neerja Rajkumar, IAS (1990-91, 1991-92, 1992-93), Shri H V Lalringa, IAS (1993-94). Further, for the FY 2013-14, the then QAA & SG, AEPC vide Note Sheet dated 26.08.2014 approved signing of the balance sheet, income and expenditure account along-with notes to the financial statement by Adl.

Secretary General, AEPC. In view of above annual reports right from the beginning, the Council has portrayed a correct statement having material particular with regard to maintenance of the books of accounts from time to time.

The Accounting Standard 1 prescribed by Institute of Chartered Accountant has been adopted by the Companies Act 1956 as well as of 2013. The AEPC's books of account have been maintained as per Accounting Standard 1 right from beginning till 2019-20 since there are no changes. Therefore, the annual reports, notes, financial statements, balance sheets and income & expenditure statements have prepared in complete compliance to Accounting Standard 1 of Institute of Chartered Account which has been approved by the Companies Act 1956. The interest earned by the Council as invested by the DG, QA & Government Nominee were correctly shown as the income of AEPC by the previous DG/QAA as per the details given above and were maintained in the subsequent period up to the period 2019-20 clearly demonstrating the income so arrived in the books of account and particularly Rs.214.44 Cr. belongs to AEPC and has been correctly shown in the annual reports for the respective years. As per the reconciliation of AEPC account by CCA, the expenditure shown is much in excess of Rs.214.44 Cr. Further, Principal Accounts Office, Ministry of Commerce & Textiles, Internal Audit Wing, New Delhi has also confirmed vide communication dated 26-28.09.2019 that reconciliation report on single account of AEPC for the period 1.04.78 to 31.3.17 conducted during 09.07.2018 to 20.07.2018 at AEPC, Gurgaon, submitted vide letter no. IAW/TEX/AEPC/10(54)/2017-18/195 dated 31.07.2018 was not an audit report. Therefore, the letters written by AEPC to Secretary (Textiles) under copy of CCA that the demand letter of Rs.214.44 Cr. and Rs.17.42 Cr. may be withdrawn is a correct stand, the matter under which is sub-judice.

3) Indian Audit and Accounts Department (IAAD) of Comptroller and Auditor General of India (CAG) had conducted audit u/s 14 of the DPC Act 1971 for the years 2003-04 to 2011-12 and then subsequently for 2012-13. Further, the office of the Chief Controller of Accounts (CCA), Ministry of Textiles (MoT) also carried out an internal audit for the year 2003-04 to 2014-15 special emphasis on the Government Grants. The IAAD and CCA as a routine procedure issued audit memos as per GFR with regards to non/partially compliances of certain guidelines, tendering process and other observations, which have been responded by the Council forthwith.

CAG has concluded its finding on pointing out procedural lapse in tendering and for non-following of the GFR in reducing the rent of one of its premises in the earlier years, resulted in to a notational financial loss of Rs. 17.42 crore. The matter was referred to the Public Accounts Committee (PAC), the PAC in its 129th report dated 19.12.2018 has reported flawed tendering and bidding process and undue post contractual benefits to a private party. PAC have also recommended, that the interest on EMD may be deposited in Government Accounts in time bound manner. Based on PAC's report & CCA's recommendation, the MoT has written letter no.8/1/2016-EP (Pt-I) dated 31 October 2018 and reminder letter no. 8/1/2016-EP dated 14 January 2019 directing AEPC to deposit entire interest amount of Rs. 214.44 crore and Rs. 17.42 crore being the amount of revenue loss in the Consolidated Fund of India (CFI).

The Council represented and has replied to the matter clarifying that, the interest of Rs. 214.44 crore is entire bank interest earned by the Council since inception till March 2016 from all the funds with the Council and not only from EMD, the Council have further clarified that interest on EMD is not payable to the Government as per GEE Policy. The Council also represented and has replied that there is no loss in letting out the premises as the fixation of rent was approved by the competent authority. AEPC filed writ before

the Hon'ble Court at Delhi, challenging the legality and validity of the demand raised by the Ministry of Textiles for Rs 214.44 crores and Rs. 17.42 crores through letter dated 31.10.2018 and 14.01.2019, and prayed to issue a writ of Mandamus and/or appropriate directions in the nature of writ thereby quashing/setting aside the Impugned letters dated 31.10.2018 and 14.01.2019 issued by the Ministry of Textiles, where the Court on 24<sup>th</sup> May, 2019 & 19.08.2019 has issued notice to show cause as to why the petition be not admitted and stayed the recovery till next date of hearing. Hon'ble High Court of Delhi vide order dated 19.08.2019 has further stayed the demand raised by Ministry of Textiles, till next date of hearing.

Council has also filed the writ petition before the Hon'ble Delhi High Court, regarding the applicability of the CAG Audit upon AEPC and to set aside the findings/observations/directions of PAC based upon the CAG report. The matter is under Sub-judice.

4) Ministry of Textiles vide its letter no. 8/4/2015-EP dated 09<sup>th</sup> October 2015, read with letter No. 13/04/2015-EP dated 25<sup>th</sup> August 2015, communicated to the Council to deposit in the Consolidated Fund of India rent proceeds of Rs. 62,56,00,000/- for the period from the year 2006-2007 till 31.03.2015 earned from certain rented premises of Council. The Council represented and has replied to the matter clarifying that renting of premises is a bonafide activity of the Council and further, rent of Rs. 43,19,00,000 was earned from premises acquired with no Government Grant, and rent of Rs. 19,37,00,000 was from bonafide activities as per its objects and Articles of Association and in line with original terms of usage of the premises.

5) A Member has filed a petition against the Council with Hon'ble National Company Law Tribunal u/s 397, 398, 402, 403 & 406 of Companies Act 1956 for oppression and mis-management. The entire allegation made by the petitioner, is

based upon the CAG audit report. The Council has strongly opposed the matter and represented the case before the Hon'ble National Company Law Tribunal. The matter is under Sub-judice. Ministry of Corporate affairs also filed an appeal before the Hon'ble National Company Law Appellate Tribunal praying for the early disposal of the matter. The said application was listed for hearing before NCLAT on 06.02.2020 and the bench passed the following order:-

**Quote :-**

“Learned counsel for the appellant submits that the writ petition before the Hon'ble High Court of Delhi has no bearing in so far disposal of application pending consideration before the Tribunal is concerned. However, same is contested by Mr. Krishnan Venogopal, Sr. Advocate representing the Respondent. Having heard learned counsel for the parties for a while, we find that the disposal of application has been considerably delayed. It would be appropriate to direct the Tribunal to disposed of the application with utmost expedition having regard to the earlier order passed by this Appellate Tribunal on 23.01.2020. Tribunal shall do well to pass appropriate orders after hearing the parties within three weeks keeping in view the observations in the orders dated 11.03.2019 and 03.07.2019. We make it clear that the Impugned order gave directions regarding passing of final order. Let copy of this order be communicated to the Tribunal forthwith. The appeal stands disposed of.”

**Unquote:-**

Council also filed an application before the NCLAT for the modification of the above order. Accordingly the NCLAT on 27.02.2020 has passed the following order:-

**Quote:-**

We further clarify that while passing order dated 06.02.2020 we had directed that the Tribunal shall dispose of the matter in the light of

observations made in orders dt.11.03.2019 and 03.07.2019. It emerges from order dt.11.03.2019 that this Appellate Tribunal had directed the Tribunal to take up all Interlocutory Applications together including CA 721/PB ND/2018 filed by the Central Government and after hearing the parties pass final order in the Company Petition preferably within three months.

This direction has not been varied in terms of the order in respect of which rectification is sought and we reiterate the direction passed on 11.03.2019. The appeal is disposed of.

6) Ministry of Corporate affairs filed an application under Section 242(2)(k), 246 read with 339 of the Companies Act 2013 before the Hon'ble National Company Law Tribunal in the matter of Affordable Export Vs AEPC & ors, that the Executive Committee of AEPC be suspended, in terms of provisions of Section 242(2)(k) and 15 (fifteen) persons be appointed as directors, to manage the affairs of the AEPC and such directors may report to Hon'ble Tribunal on such matters as it may direct.

The Council is strongly opposed the above stand taken by the MCA and has already submitted the reply against the MCA application giving the brief facts and correspondences. The matter is under Sub-judice.

7) Annexure to the financial statements i.e notes on accounts, are also part of the Executive Committee's report and may also be referred.

## ACKNOWLEDGEMENT



The Executive Committee of AEPC is sincerely grateful to Hon'ble Minister of Textiles Smt Smriti Zubin Irani for helping in convincing international buyers not to cancel their orders and thus protect the industry from further financial losses during the pandemic and the lockdown. The AEPC is indebted to the government for timely measures it took to keep the industry afloat during the pandemic by confronting the problems from all angles and not letting the fluid situation go out of control. It could have been more devastating.

On behalf of the Apparel Industry, we would like to thank Hon'ble Prime Minister, Hon'ble Minister of Textiles, Hon'ble Minister of Finance, Smt Nirmala Sitharaman, Hon'ble Minister of Commerce and Industry Shri Piyush Goyal, Hon'ble Minister of MSME Shri Nitin Gadkari, Hon'ble Minister of Labour & Employment Shri Santosh Kumar Gangwar, Reserve Bank of India Governor Shri Shaktikanta Das, IAS and Commerce & Industry Secretary, Dr. Anup Wadhawan, IAS, apart from respected Textiles Secretary Shri Ravi Capoor, IAS for leading from the front and for listening to our needs, announcing immediate measures and executing them well.

As the Country cautiously lifts the lockdown and economic activities gain momentum, we realize that the world has changed and we, the Apparel Exporters, have led that change in India. Encouraged and supported by the government under the dynamic leadership of Hon'ble Minister Smt. Smriti Z. Irani & Secretary Textiles Shri. Ravi

Capoor, IAS the Apparel Industry has propelled India, a non-player in Personal Protective Equipment (PPE) sector, to become world's second largest producer in three months' time with daily production capacity of 8 lakh PPE kits.

We also thank the Government for allowing exports of non-medical/non-surgical masks of all fabric types - knitted / woven and blended. The industry has been hugely benefited by this decision as it unlocked the potential for exports, not just for masks, but also as a necessary accessory with garment exports, as per customer requirements. As we know, with the active support of the Ministry of Textiles, the industry has developed good capacities for manufacturing all types of masks. In fact, there has been significant investment in machines for production of Medical Masks/Surgical Masks/Non-Woven Masks/N95 Masks, with over 100 machines imported in the last few months. Medical Masks/Surgical Masks/Non-Woven Masks/N95 Masks have become one of the major demand items by global apparel retailers and importers and India has the opportunity to become one of the biggest suppliers of this due to growing domestic capacities for this. Today, there are many manufacturers of these products equipped with all types of advanced machines.

The Executive Committee also expresses its gratitude to Shri Vijoy Kumar Singh, IAS, Additional Secretary, Ministry of Textiles, Smt. Roop Rashi, Textile Commissioner, Shri Sanjay Sharan, Joint Secretary, Ministry of Textiles, Shri Nihar Ranjan Dash, Joint Secretary, Ministry of Textiles, Sh. Jogiranjana Panigrahi, Joint Secretary, Ministry of Textiles, Shri Jay Karan Singh, Trade Advisor, Ministry of Textiles and other senior officials of the Government, who helped with their continuous support in the furtherance of Apparel exports from India and during tough times of Pandemic i.e Covid-19.

It is pertinent to mention and thank Smt. Aditi Das



Rout, the then Trade Advisor, Ministry of Textiles, Shri Moloy Chandan Chakraborty, the then Textile Commissioner and Shri Balam Kumar, the then Secretary General, AEPC & at present Quota Administering Authority (QAA), who helped and contributed in all projects, to address the concerns of Apparel Industry, in the best possible manner. The Executive Committee of AEPC, therefore, places on record its sincere gratitude towards them.

The Committee also thanked and expresses its deep appreciation for the assistance, cooperation and support extended by Ministry of Commerce & Industry, Textiles Commissioner, DGFT, NITI Ayog, 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 and for extending their support during the difficult times faced by the Industry due to Global outbreak of the Covid-19 pandemic.

The Executive Committee appreciated and thanked Dr. A. Sakthivel, Chairman-AEPC, for his total commitment and unstinted hard work & efforts made towards the cause of the Apparel Export Industry especially in this huge pandemic i.e Covid-19 crisis.

The Executive Committee also appreciated and thanked the efforts made by Shri HKL Magu during his tenure as Chairman AEPC for the year 2018 & 2019, for the furtherance of Apparel Export.

The Committee appreciated the work and support extended by Shri Narendra Kumar Goenka, Vice Chairman and members of the Sub Committees & its Chairmen i.e Shri Premal Udani, Chairman, Advisory Sub-committee, Shri Sudhir Sekhri, Chairman, Export Promotion Sub-Committee, Shri Vijay Agarwal, Chairman, Finance & Budget Sub-committee, Dr.A.Sakthivel, Chairman, Staff Sub Committee, Shri Virender Uppal, Regional Chairman (Northern Region) of State Partnership Sub-

committee, Shri Ashok Rajani, Regional Chairman (Western Region) of State Partnership Sub-committee, Shri Anil Buchasia, Regional Chairman (Eastern Region) of State Partnership Sub-committee, Shri B.Shanmughasundaram, Regional Chairman (Southern Region) of State Partnership Sub-committee, Shri Rakesh Vaid, Chairman, Apparel House Management Sub-committee and Shri Anil Peshawari, CSR Sub Committee.

The Executive Committee is deeply appreciative of the enthusiasm, initiative, hard work and dedicated efforts of all officers and staff of the council under the guidance of Shri Sanjeev Nandwani, Secretary General and Smt. Jyoti Kaur, Additional Secretary General 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 continued support, guidance and co-operation given by the trade in various fields towards meeting the goals set forth for the Apparel Industry.

For and on behalf of Executive Committee

(Dr. A. Sakthivel)  
Chairman, AEPC  
DIN: 00027485

Place: Gurugram  
Date: 31.07.2020

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

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

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

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

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

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

Date : 31.07.2020  
Place: Gurugram

**By Order of Executive Committee**  
**For Apparel Export Promotion Council**

(Dr.A.Sakthivel)  
**Chairman**  
DIN: 00027485

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

<b>S.no</b>	<b>Particulars</b>	<b>Remarks</b>										
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: <a href="http://www.aepcindia.com">www.aepcindia.com</a>										
2	The Composition of the CSR Committee.	CSR subcommittee is having following members:- i) Shri Anil Peshawari, Chairman ii) Dr. A Sakthivel, Chairman, AEPC, Ex-officio Member iii) Sh. Narendra Goenka, Vice Chairman, AEPC, Ex-officio Member iv) Sh. Vijay Kumar Agarwal-Member v) Sh. HKL Magu-Member vi) Sh. Sanjeev Nandwani, SG AEPC, Ex Officio, Member vii) Sh. R.K.Sharma-Member Secretary										
3	Average net profit of the Company for last three financial years.	<table border="0"> <thead> <tr> <th><b>Financial Year</b></th> <th><b>Net Profit</b></th> </tr> </thead> <tbody> <tr> <td>1. For F.Y 2016-17</td> <td>Rs. 12,14,14,607</td> </tr> <tr> <td>2. For F.Y 2017-18</td> <td>Rs. 4,31,13,039</td> </tr> <tr> <td>3. For F.Y 2018-19</td> <td>Rs. 4,84,42,476</td> </tr> <tr> <td><b>Total</b></td> <td><b>Rs. 21,29,70,122</b></td> </tr> </tbody> </table> Avg Net profit: Rs.7,09,90,040/-	<b>Financial Year</b>	<b>Net Profit</b>	1. For F.Y 2016-17	Rs. 12,14,14,607	2. For F.Y 2017-18	Rs. 4,31,13,039	3. For F.Y 2018-19	Rs. 4,84,42,476	<b>Total</b>	<b>Rs. 21,29,70,122</b>
<b>Financial Year</b>	<b>Net Profit</b>											
1. For F.Y 2016-17	Rs. 12,14,14,607											
2. For F.Y 2017-18	Rs. 4,31,13,039											
3. For F.Y 2018-19	Rs. 4,84,42,476											
<b>Total</b>	<b>Rs. 21,29,70,122</b>											
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	2% of Rs. 7,09,90,040/- is Rs. 14,19,800/-										
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. 14,19,800/-  Nil										

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SI. 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.14,19,800	Rs.14,19,800	-	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. -N.A.

7. Implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Council.

Dr.A.Sakthivel  
(Chairman AEPC)  
DIN: 00027485



## STATEMENT OF PARTICULARS OF EMPLOYEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

(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 (Including retirement benefits/Exit Offer) (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	Remarks
R.N Agarwal	Assistant Director	6212080	Regular employee	B.Com.	52	28	04.03.1993	M/s. Niryat Corporation	N/A	Opted Exit offer, relieved on 31.03.2020
Sanjiv Malhotra	Additional Secretary General (O)	4663297	Regular employee	B. Com. ICS (Inter), PGDSM, PGDAM, DCOM	61	40	21.07.1986	M/s. SNS Medical Leasing Ltd., ND	N/A	Retired on 31.08.2019
Aum Kumar Sharma	Joint Director	4475564	Regular employee	MA	61	41	20.12.1978	-	N/A	Retired on 31.12.2019
Sneh lata sharma	Additional Director	4007466	Regular employee	MA, MLIS	61	40	02.05.1983	M/s. Allied Engineers (I) Ltd., ND	N/A	Retired on 30.06.2019
R.P.S Negi	Joint Director	3727073	Regular employee	B.A.	61	39	01.06.1984	M/s. DSIIDC, ND	N/A	Retired on 31.07.2019
M.C Bhatt	Joint Director	3531654	Regular employee	B.Com., DCA, DBM, MMS	61	36	26.08.1985	M/s. Larsen & Toubro Ltd., Faridabad	N/A	Retired on 31.07.2019
R.K Sharma	Deputy Secretary General	3425300	Regular employee	B. Tech., DBM	59	39	13.10.1988	M/s. Vardhman Spinning & General Mills Ltd., Ludhiana	N/A	-
Kundan Srivastava	Sr. Director	3320000	Contractual employee	B.Com, FCA	46	16	20.02.2007	M/s. Elite Stock Management Ltd., Delhi	N/A	-
R. Balaji	Director	2759410	Regular Employee	M Com.	59	39	19.10.1983	M/s R B M Poona Mills Ltd., Bangalore	N/A	-
Neelam Chopra	Deputy Director	2590464	Regular employee	B.A.	61	39	07.11.1988	M/s. Teknow Consultants & Engineers (P) Ltd., ND	N/A	Retired on 31.12.2019

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF APPAREL EXPORT PROMOTION COUNCIL**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

1. We have audited the accompanying financial statements of Apparel Export Promotion Council ("the Council"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Council as at March 31, 2020, and its surplus and its cash flows for the year ended on that date.

##### **Basis for Opinion**

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Council in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### **Material uncertainty related to going concern**

4. We draw attention to Note 23.1 (c) to the accompanying financial statements, which states that the Council has filed writ before Hon'ble Delhi High Court to challenge legality and validity of demands raised by Ministry of Textiles. As stated in Note 23.1 (c) such demands against the Council that may, if successful, result in Council's liabilities significantly exceeding its assets. As the matter is under judicial consideration, the Council believes no adjustment is presently required and the financial statements have been prepared ongoing concern basis.

Our opinion is not modified in respect of these matters.

### **Emphasis of matter**

5. We draw attention to
  - a. Note No. 23.1 (b) to the accompanying financial statements, regarding letter received by the Council from the Ministry of Textiles (MoT), to deposit the rent proceeds of Rs. 62,56,00,000 of certain rented premises of the Council and the management's assessment of the pending outcome.
  - b. Note No. 23.1 (c) to the accompanying financial statements, stating details of letters received by the Council from the Ministry of Textiles (MoT) to deposit interest amount as earned by the Council on Earnest Money Deposits from Exporters amounting to Rs. 214,44,00,000 and Rs. 17,42,00,000 being the amount of revenue loss, in the Consolidated Fund of India (CFI). As explained in the stated Note, the Council has filed writ before the Hon'ble Delhi High Court challenging the validity of the demands raised by the Ministry of Textiles and the matter is presently under judicial consideration.

Our opinion is not modified in respect of these matters.

### **Information other than the Financial Statements and Auditor's Report Thereon**

6. The Council's Executive Committee / Management is responsible for the other information. The other information comprises the information included in the Executive Committee's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those charged with Governance for the Financial Statements**

7. The Council's Executive Committee / Management is responsible for the matters stated in Section 134(5) of 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 the Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

8. In preparing the financial statements, Council's Executive Committee/Management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are also responsible for overseeing the Council's financial reporting process.

### **Auditor's responsibility for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Council has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on other legal and regulatory requirements**

14. As required by 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 in terms of clause 1(2)(iii) of the Order; as the Council is a company registered under section 25 of Companies Act, 1956 and now existing under section 8 of the Companies Act, 2013, limited by guarantee.
15. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Council so far as it appears from our examination of those books.
  - (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.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
  - (e) The matters described in Material uncertainty related to going concern paragraph and Emphasis of Matter above, if those are finally decided against the Council, in our opinion, may have adverse effect on the functioning of the Council.
  - (f) On the basis of the written representations received from the members of the Council's Executive Committee (i.e. directors) as on March 31, 2020 taken on record by the Council's Executive Committee, none of the member / directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Council and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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. 23 and 25 to the accompanying 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.
9. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 read with schedule V to the Companies Act, 2013 are not applicable to the Council.

Place: Gurugram  
Date: July 31, 2020

For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No.000235N/N500089

(VIDUR PURI)  
Partner  
Membership No. 90163  
ICAI UDIN No. 20090163AAAAAA4037

## **Annexure-A to Independent Auditors' Report**

Referred to in Paragraph 15(g) of the Independent Auditors' Report of even date to the members of **Apparel Export Promotion Council on the Financial Statements for the year ended March 31, 2020**

### **Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2020 in conjunction with our audit of the 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi  
Date: July 31, 2020

For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No.000235N/N500089

(VIDUR PURI)  
Partner  
Membership No. 90163  
ICAI UDIN No. 20090163AAAAAA4037



**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Balance Sheet as at March 31, 2020

Particulars	Note No.	Amount (in Rupees)	
		As at March 31, 2020	As at March 31, 2019
<b><u>EQUITY AND LIABILITIES :</u></b>			
<b>Member' Funds</b>			
Reserves and surplus	2	1,702,628,690	1,674,033,725
Sub-Total		<b>1,702,628,690</b>	<b>1,674,033,725</b>
<b>Non-current liabilities</b>			
Other Long term liabilities	3	33,856,628	28,754,453
Long-term provisions	4	52,046,212	43,752,640
Sub-Total		<b>85,902,840</b>	<b>72,507,093</b>
<b>Current liabilities</b>			
Trade payables	5		
a) Total Outstanding dues of micro enterprises and small enterprises, and		3,761,619	2,136,983
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		27,623,223	35,203,088
Other current liabilities	6	386,307,876	302,211,777
Short-term provisions	7	12,968,559	14,934,835
Sub-Total		<b>430,661,277</b>	<b>354,486,683</b>
<b>Total</b>		<b>2,219,192,807</b>	<b>2,101,027,501</b>
<b><u>ASSETS :</u></b>			
<b>Non-current assets</b>			
Property, Plan and Equipment	8		
Tangible assets	8(A)	467,770,631	491,494,569
Intangible assets	8(B)	787,447	499,214
Capital Work in Progress	8(C)	31,791,125	2,887,941
Long-term loans and advances	9	173,320,787	169,397,768
Other non-current assets	10	206,374,657	139,242,134
Sub-Total		<b>880,044,647</b>	<b>803,521,626</b>
<b>Current assets</b>			
Trade receivables	11	27,559,175	23,654,596
Cash and Cash Equivalents	12	249,508,529	81,147,788
Other Bank Balances	12A	799,800,000	920,000,000
Short-term loans and advances	13	139,517,388	154,708,293
Other current assets	14	122,763,068	117,995,198
Sub-Total		<b>1,339,148,160</b>	<b>1,297,505,875</b>
<b>Total</b>		<b>2,219,192,807</b>	<b>2,101,027,501</b>

Significant accounting policy and notes -1, 22 to 40

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SCV & Co LLP

Chartered Accountants  
FRN 000235N/N500089

For and on behalf of the Executive Committee

A. Sakthivel  
Chairman  
DIN : 00027485

Narender Goenka  
Vice-Chairman  
DIN : 01234889

Vijay Kr. Aggarwal  
Chairman (F&B)  
DIN : 00108710

Vidur Puri  
Partner  
Membership no : 90163

Sanjiv Nandwani  
Secretary General

Sumit Gupta  
Secretary

Kundan Srivastava  
Sr. Director -Finance

Place : New Delhi  
Dated : 31-07-2020

Place : Gurugram  
Dated : 31-07-2020

## APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

### Statement of Income and Expenditure for the year ended March 31, 2020

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<i>Amount (in Rupees)</i>			
<b><u>INCOME :</u></b>			
Income from operations	15	185,493,710	206,279,833
Other income	16	250,941,672	279,926,163
<b>Total Income</b>		<b>436,435,382</b>	<b>486,205,996</b>
<b><u>EXPENSES :</u></b>			
Employee benefits expense	17	172,049,373	173,352,942
Finance costs	18	982,301	146,891
Depreciation and amortization expense	19	21,747,481	25,067,659
Other expenses	20	204,562,062	239,196,029
<b>Total Expenses</b>		<b>399,341,217</b>	<b>437,763,521</b>
<b>Surplus before tax</b>		<b>37,094,165</b>	<b>48,442,475</b>
<b>Tax expense</b>			
Current year		-	-
Earlier Years Taxes		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>Surplus for the year</b>		<b>37,094,165</b>	<b>48,442,475</b>

Significant accounting policy and notes -1, 22 to 40

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SCV & Co LLP  
Chartered Accountants  
FRN 000235N/N500089

For and on behalf of the Executive Committee

A. Sakthivel  
Chairman  
DIN : 00027485

Narender Goenka  
Vice-Chairman  
DIN : 01234889

Vijay Kr. Aggarwal  
Chairman (F&B)  
DIN : 00108710

Vidur Puri  
Partner  
Membership no : 90163  
Place : New Delhi  
Dated : 31-07-2020

Sanjiv Nandwani  
Secretary General  
Place : Gurugram  
Dated : 31-07-2020

Sumit Gupta  
Secretary

Kundan Srivastava  
Sr. Director -Finance

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
**Cash Flow Statement for the year ended March 31, 2020**

Particulars	Note No.	Amount (in Rupees)	
		Year ended March 31, 2020	Year ended March 31, 2019
<b>A Cash Flow From Operating Activities :</b>			
Net Surplus for the year Before Tax		37,094,165	48,442,475
<i>Adjustment For :</i>			
Depreciation/ Amortisation		18,701,128	25,067,659
(Profit)/ Loss On Sale of Fixed Assets		(28,063)	(591,093)
Sundry Credit Balance Written Back		839,201	2,278,014
Provision no Longer Required Written Back		(1,644,069)	(5,067,178)
Interest Income		(87,135,577)	(83,469,047)
Interest Expenses		831,010	111,376
Operating Income Before Working Capital Changes		(31,342,205)	(13,227,793)
<i>Changes in Working Capital:</i>			
(Increase)/Decrease In Trade Receivables		(3,904,579)	2,924,277
(Increase)/Decrease In Loans & Advances and Other Assets		(64,660,183)	(90,875,960)
Increase/(Decrease) In Trade Payables and other Liabilities		90,375,210	(45,749,182)
Cash Generated From Operations		(9,531,757)	(146,928,658)
Income Tax Paid (Net Of Income Tax Refund)		3,918,019	(3,298,705)
<b>Net Cash From Operating Activities ( A )</b>		<b>(5,613,738)</b>	<b>(150,227,363)</b>
<b>B. Cash Flows From Investing Activities</b>			
Purchase of Fixed Assets (Property, Plant and Equipments, including Intangibles & CWIP)		(33,680,176)	(10,884,732)
Proceeds From Sale of Fixed Assets (Property, Plant and Equipments, including Intangibles & CWIP)		31,432	706,832
Interest Received		87,245,233	68,993,071
Maturity/(Investment) Of Bank Deposits		120,200,000	95,854,000
<b>Net Cash (Used)/ Raised From Investing Activities ( B )</b>		<b>173,796,489</b>	<b>154,669,171</b>
<b>C. Cash Flow From Financing Activities</b>			
Entrance Fee Received		1,009,000	1,043,000
Interest Expenses		(831,010)	(111,376)
<b>Net Cash Used In Financing Activities ( C )</b>		<b>177,990</b>	<b>931,624</b>
<b>Net Increase In Cash &amp; Cash Equivalents (A+B+C)</b>		<b>168,360,741</b>	<b>5,373,432</b>
Cash & Cash Equivalents As At 31.03.2019 (Refer Note 12 for components of Cash & Cash Equivalents)		81,147,788	75,774,357
Cash & Cash Equivalents As At 31.03.2020 (Refer Note 12 for components of Cash & Cash Equivalents)		249,508,529	81,147,789

**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.

Significant accounting policy and notes -1, 22 to 40

The accompanying notes are an integral part of the financial statements

As per our report of even date

For SCV & Co LLP  
Chartered Accountants  
FRN 000235N/N500089

For and on behalf of the Executive Committee

A. Sakthivel  
Chairman  
DIN : 00027485

Narender Goenka  
Vice-Chairman  
DIN : 01234889

Vijay Kr. Aggarwal  
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Partner  
Membership no : 90163

Sanjiv Nandwani  
Secretary General

Sumit Gupta  
Secretary

Kundan Srivastava  
Sr. Director -Finance

Place : New Delhi  
Dated : 31-07-2020

Place : Gurugram  
Dated : 31-07-2020

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Notes to financial statements for the year ended March 31, 2020

Particulars	Amount (in Rupees)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 2: Reserves &amp; Surplus</b>		
<b>Capital Contribution Reserve</b>		
[Amount represents Grant received from "Cotton Textiles Export Promotion Council", as corpus at the time of incorporation of the Council]		
Balance at the beginning and at the end of the year	4,200,000	4,200,000
<b>Building Reserve *</b>		
Balance at the beginning and at the end of the year	329,700,000	329,700,000
<b>Building Repairs Replacement Reserve</b>		
Balance at the beginning and at the end of the year	50,000,000	50,000,000
<b>Capital Asset Reserve - Govt Grant</b>		
<b>a) Non Depreciable Assets</b>		
Balance at the beginning and at the end of the year	129,593,582	129,593,582
<b>b) Depreciable Assets</b>		
Balance as per the last financial statements	94,260,723	101,345,289
Add: Transferred/ Adjusted during the year	-	-
Less: Prior period Adjustment during the year (Refer Note No. 31)	3,046,353	-
Less: Depreciation provided during the year	6,461,847	7,084,566
<b>Sub-Total - Balance at the end of the year</b>	<b>84,752,523</b>	<b>94,260,723</b>
<b>Members' Entrance Fees Reserve</b>		
Balance as per the last financial statements	72,391,510	71,348,510
Add: Received during the year	1,009,000	1,043,000
<b>Sub-Total - Balance at the end of the year</b>	<b>73,400,510</b>	<b>72,391,510</b>
<b>Capital Assets Fund**</b>		
Balance as per the last financial statements	155,051,097	164,800,000
Add: Transferred from I&E statement during the year	-	-
Less: Utilised and Transferred to Surplus in Income & Expenditure ***	33,680,176	9,748,903
<b>Sub-Total - Balance at the end of the year</b>	<b>121,370,921</b>	<b>155,051,097</b>
<b>Surplus in the statement of Income &amp; Expenditure</b>		
Balance as per the last financial statements	838,836,813	780,645,435
Add: Surplus for the year	37,094,165	48,442,475
Add: Transferred from Capital Assets Fund ***	33,680,176	9,748,903
<b>Net Surplus in the statement of Income &amp; Expenditure</b>	<b>909,611,154</b>	<b>838,836,813</b>
<b>Total reserves and surplus</b>	<b>1,702,628,690</b>	<b>1,674,033,725</b>

\*The Council is registered under section 12AA of the Income Tax Act, 1961. To meet the regulatory compliance of section 12A, the amount represented by 'Building Reserve' represents the application of the surplus of funds for the objective of the Council.

\*\*The amount represented by 'Capital Assets Fund' represents accumulation made earlier years as per section 11(2) of the Income Tax Act, 1961.

\*\*\* Utilisation represents amount utilised during the current year for the objective of the Council; out of the accumulated funds upto preceding year under Section 11(2) of the Income-tax Act, 1961.

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Notes to financial statements for the year ended March 31, 2020

Particulars	Amount (in Rupees)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 3: Other Long term liabilities</b>		
Security deposit -Office Premises	28,055,224	22,582,164
OTS Premium payable	216,445	216,445
Advance Received for Subscription	5,584,959	5,955,844
<b>Total</b>	<b>33,856,628</b>	<b>28,754,453</b>

**Note 4: Long-term provisions**

**Provision for employee benefits**

Medical Leave Encashment	8,718,025	8,927,229
Earned Leave Encashment	37,793,297	34,825,411
Gratuity	5,534,890	-
<b>Total</b>	<b>52,046,212</b>	<b>43,752,640</b>

Particulars	Amount (in Rupees)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 5: Trade payable</b>		
Total Outstanding dues of micro enterprises and small enterprises	3,761,619	2,136,983
Total Outstanding dues of creditors other than micro enterprises and small enterprises	27,623,223	35,203,088
<b>Total</b>	<b>31,384,842</b>	<b>35,203,088</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, 2020	31st March, 2019
The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year.	3,754,673	2,136,983
The interest amount due but not paid.	6,946	-
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 payments made to the supplier beyond the appointment 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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	6,946	-
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 received by the council.



## APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2020

Particulars	Amount (in Rupees)	
	As at March 31, 2020	As at March 31, 2019
<b>Note 6: Other current liabilities</b>		
<u>Statutory Liabilities:</u>		
- TDS Payable	3,803,661	3,355,366
- GST Payable	3,074,423	6,577,778
- PF Payable	2,326,405	2,181,374
- ESI Payable	2,244	6,654
- Other Tax Payable	43,133	20,633
Unutilised Grant received from Govt (Refer Note 27)	163,830,864	7,197,189
MDA Fund for Exporter - Unutilised (Refer Note 28)	8,056,330	7,836,863
EMD PDC Forfeited-Dishonoured (Refer Note 24(b))	119,579,602	135,881,822
Penalties & EMD Forfeited	12,303,791	10,041,542
Earnest Money Deposits	2,100,364	2,100,364
Security deposits	5,384,389	3,520,584
Security deposit -Office Premises	1,817,640	4,682,440
AEPC- Showroom Security Deposit Refundable	38,182,566	63,743,740
Advance Received for Subscription	10,461,000	19,084,170
Advance Received for Council Charges	1,474,630	14,568,484
Due to Executive Committee members	706,874	514,271
Employee related payables	6,615,987	11,057,872
Other payables*	6,543,973	9,840,631
<b>Total</b>	<b>386,307,876</b>	<b>302,211,777</b>

\*Other payable includes payable to International Garment Fair of India and Interest etc.

### Note 7: Short-term provisions

#### Provision for employee benefits

Medical Leave Encashment	1,549,480	1,548,903
Earned Leave Encashment	3,189,978	4,293,679
Gratuity	8,229,101	9,092,253
<b>Total</b>	<b>12,968,559</b>	<b>14,934,835</b>

Note 8: Property, Plant and Equipments

**APPAREL EXPORT PROMOTION COUNCIL**

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2020

Note 8(A). TANGIBLE ASSETS

8(A)-I: Assets Purchased out of owned Funds

Amount (in Rupees)

Particulars	Land#	Buildings* (Office Premises)	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
<b>Original Cost-Gross Block</b>										
At 1st April 2018	64,750,534	524,417,889	71,593,790	33,622,847	33,303,633	45,020,713	11,680,550	17,088,013	2,042,231	803,520,200
Additions (2018-19)	-	-	-	3,396,391	-	-	4,500,042	100,358	-	7,996,791
Disposal / Adjustment	-	-	-	508,989	-	-	3,634,208	-	-	4,143,197
At 31st March 2019	64,750,534	524,417,889	71,593,790	36,510,250	33,303,633	45,020,713	12,546,384	17,188,371	2,042,231	807,373,795
Additions (2019-20)	-	-	-	1,175,036	-	132,800	1,241,886	1,623,270	-	4,172,992
Disposal / Adjustment	-	-	-	292,780	-	-	-	44,100	-	336,880
At 31st March 2020	64,750,534	524,417,889	71,593,790	37,392,506	33,303,633	45,153,513	13,788,270	18,767,541	2,042,231	811,209,907
<b>Depreciation</b>										
At 1st April 2018	-	321,991,777	58,533,924	31,956,723	31,833,262	42,677,554	10,353,335	16,621,039	2,021,809	515,989,423
Charge for the year 2018-19	-	15,103,521	3,428,421	2,197,054	519,595	916,693	2,304,469	255,459	-	24,725,213
Deduction / Adjustments	-	-	-	477,357	-	-	3,550,101	-	-	4,027,458
At 31st March 2019	-	337,095,298	61,962,345	33,676,420	32,352,857	43,594,247	9,107,703	16,876,498	2,021,809	536,687,178
Charge for the year 2019-20	-	13,950,610	2,528,107	1,735,208	320,815	529,536	1,518,183	849,255	-	21,431,714
Deduction / Adjustments	-	-	-	289,852	-	-	-	43,659	-	333,511
At 31st March 2020	-	351,045,908	64,490,452	35,121,776	32,673,672	44,123,783	10,625,886	17,682,094	2,021,809	557,785,381
<b>Net Block</b>										
At 31st March 2019	64,750,534	187,322,591	9,631,445	2,833,830	950,776	1,426,466	3,438,681	311,873	20,422	270,686,617
At 31st March 2020	64,750,534	173,371,981	7,103,338	2,270,730	629,961	1,029,730	3,162,384	1,085,447	20,422	253,424,526

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

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



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Note 8: Property, Plant and Equipments

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2020

Note 8(A). TANGIBLE ASSETS (Cont..)

8(A)-II: Assets Purchased Against Grant Received from Government

Particulars	Amount in Rupees									
	Land	Buildings* (Office Premises)	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
<b>(a) ASSETS GIVEN ON LEASE</b>										
<b>Original Cost-Gross Block</b>										
At 1st April 2018	-	36,589,493	48,545,234	4,145,279	2,157,839	16,446,229	-	14,595,141	2,555,152	125,034,367
Additions (2018-19)	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2019	-	36,589,493	48,545,234	4,145,279	2,157,839	16,446,229	-	14,595,141	2,555,152	125,034,367
Additions (2019-20)	-	-	-	-	-	-	-	-	-	-
Disposal/ Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2020	-	36,589,493	48,545,234	4,145,279	2,157,839	16,446,229	-	14,595,141	2,555,152	125,034,367
<b>Depreciation</b>										
At 1st April 2018	-	29,856,109	47,622,812	4,104,100	2,147,469	16,281,766	-	14,449,190	2,529,600	116,991,046
Charge for the year	-	439,857	207,698	-	-	-	-	-	-	647,554
Deduction/ Adjustments	-	-	-	-	-	-	-	-	-	-
At 31st March 2019	-	30,295,966	47,830,510	4,104,100	2,147,469	16,281,766	-	14,449,190	2,529,600	117,638,600
Charge for the year	-	411,106	154,524	-	-	-	-	-	-	565,630
Deduction/ Adjustments	-	-	-	-	-	-	-	-	-	-
At 31st March 2020	-	30,707,071	47,985,033	4,104,100	2,147,469	16,281,766	-	14,449,190	2,529,600	118,204,230
<b>Net Block</b>										
At 31st March 2019	-	6,293,527	714,724	41,179	10,370	164,463	-	145,951	25,552	7,395,767
At 31st March 2020	-	5,882,422	560,201	41,179	10,370	164,463	-	145,951	25,552	6,830,137

Note 8: Property, Plant and Equipments

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2020

Note 8(A). TANGIBLE ASSETS (Cont..)

8(A)-II : Assets Purchased Against Grant Received from Government (Cont..)

Amount in Rupees

Particulars	Land	Buildings* (Office Premises)	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
<b>( b ) OTHER FIXED ASSETS</b>										
<b>Original Cost-Gross Block</b>										
At 1st April 2018	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 (2018-19)	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2019	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 (2019-20)	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2020	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 2018	-	180,114,881	79,762,512	46,856,973	73,871,108	30,305,961	-	63,981,479	-	474,892,914
Charge for the year 2018-19	-	5,888,527	548,485	-	-	-	-	-	-	6,437,012
Deduction / Adjustments	-	-	-	-	-	-	-	-	-	-
At 31st March 2019	-	186,003,408	80,310,997	46,856,973	73,871,108	30,305,961	-	63,981,479	-	481,329,926
Charge for the year 2019-20	-	5,485,004	411,213	-	-	-	-	-	-	5,896,217
Deduction / Adjustments	-	-	-	-	-	-	-	-	-	-
At 31st March 2020	-	191,488,412	80,722,210	46,856,973	73,871,108	30,305,961	-	63,981,479	-	487,226,143
<b>Net Block</b>										
At 31st March 2019	129,593,582	80,048,190	2,213,260	473,303	745,702	306,120	-	32,028	-	213,412,185
At 31st March 2020	129,593,582	74,563,186	1,802,048	473,303	745,702	306,120	-	32,028	-	207,515,968
<b>Grand Total- Depreciation</b>										
Year ending March 31, 2019	-	553,394,672	190,103,852	84,637,493	108,371,434	90,181,974	9,107,703	95,307,167	4,551,409	1,135,655,704
Year ending March 31, 2020	-	573,241,392	193,197,695	86,082,849	108,692,249	90,711,510	10,625,886	96,112,763	4,551,409	1,163,215,754
* Includes part of the building given on operating lease whose cost and depreciation for the year & WDV at the end of the year is not segregated.										
<b>Grand Total- Net Block</b>										
At 31st March 2019	194,344,116	273,664,308	12,559,429	3,348,312	1,706,848	1,897,049	3,438,681	489,852	45,974	491,494,569
At 31st March 2020	194,344,116	253,817,588	9,465,586	2,785,212	1,386,033	1,500,313	3,162,384	1,263,426	45,974	467,770,631



## APPAREL EXPORT PROMOTION COUNCIL

Note 8: Property,  
Plant and Equipments

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2020

### Note 8(B). INTANGIBLE ASSETS

Particulars	Amount in Rupees	
	Computer Software	Total
<b><u>Original Cost-Gross Block</u></b>		
At 1st April 2018	4,046,789	4,046,789
Additions (2018-19)	-	-
Disposal / Adjustment	-	-
At 31st March 2019	4,046,789	4,046,789
Additions (2019-20)	604,000	604,000
Disposal/ Adjustment	-	-
At 31st March 2020	4,650,789	4,650,789
<b><u>Amortisation</u></b>		
At 1st April 2018	3,205,129	3,205,129
Charge for the year 2018-19	342,446	342,446
Deduction/ Adjustments	-	-
At 31st March 2019	3,547,575	3,547,575
Charge for the year 2019-20	315,767	315,767
Deduction/ Adjustments	-	-
At 31st March 2020	3,863,342	3,863,342
<b><u>Net Block</u></b>		
At 31st March 2019	499,214	499,214
At 31st March 2020	787,447	787,447

### Note 8(C). CAPITAL WORK-IN-PROGRESS

#### Capital Work in Progress

At 31st March 2019*	2,887,941
At 31st March 2020*	31,791,125

\*CWIP includes Buiding permit fee to Municipal Corp. & Professional fess



**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Notes to financial statements for the year ended March 31, 2020

Particulars	<i>Amount (in Rupees)</i>	
	As at March 31, 2020	As at March 31, 2019
<b>Note 9 : Long-term loans and advances</b> (Unsecured, Considered good unless otherwise specified)		
Security Deposits	2,949,743	2,944,743
<b>Other loans and advances</b>		
Advance income tax	170,371,044	166,453,025
<b>Total</b>	<b>173,320,787</b>	<b>169,397,768</b>
<b>Note 10 Other non-current assets</b> (Unsecured, Considered good unless otherwise specified)		
Other Bank Balances - Fixed Deposit(Refer Note 12A)	169,900,000	100,000,000
Deposit with LIC	36,474,657	39,242,134
<b>Total</b>	<b>206,374,657</b>	<b>139,242,134</b>
<b>Note 11: Trade receivables</b> (Unsecured, Considered good unless otherwise specified)		
Receivables outstanding for a period exceeding six months from the date they are due for payment	13,493,950	855,243
Receivables Outstanding - Others*		
a) Considered Good	14,065,225	22,799,353
b) Considered Doubtful	417,976	131,347
Less: Provision for Doubtful	(417,976)	(131,347)
<b>Total</b>	<b>27,559,175</b>	<b>23,654,596</b>
<b>*Receivables Outstanding include</b>		
Dues from Company in which the company's Executive committee members are office bearers ( Refer Note 37)	1,256,670	798,120

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Notes to financial statements for the year ended March 31, 2020

Particulars	Note No.	Amount in Rupees	
		As at March 31, 2020	As at March 31, 2019
<b>Note 12: Cash and cash equivalents</b>			
Cash in Hand		2,070	-
Balances with banks:			
a) Current Accounts		-	-
b) Saving Accounts			
(i) General		21,509,602	64,345,330
(ii) Export Promotion Fund		51,154,229	2,819,525
(iii) Other Savings*		170,106,628	7,578,933
c) Deposits with original maturity of less than three months		6,736,000	6,404,000
<b>Total</b>		<b>249,508,529</b>	<b>81,147,788</b>

**Note 12A: Other bank balances**

**On Council's Deposits\*\***

Balances with banks:

Deposits with original maturity of more than three months and less than twelve months, maturing within one year from the balance sheet date	-	345,000,000
Deposits with original maturity of more than twelve months, maturing within one year from the balance sheet date	799,800,000	575,000,000
Deposits with original maturity of more than twelve months, maturing beyond one year from the balance sheet date	169,900,000	100,000,000
	<u>969,700,000</u>	<u>1,020,000,000</u>
Less:		
Amount Disclosed as Non-current Asset (as per Note 10)	(169,900,000)	(100,000,000)
<b>Total</b>	<b><u>799,800,000</u></b>	<b><u>920,000,000</u></b>

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

\*\* Fixed Deposits Includes allocated funds of Rs. 12,13,70,921/- (Previous year Rs. 15,50,51,097/--) towards utilisation as per Section 11(2) of the income tax act,1956.

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Notes to financial statements for the year ended March 31, 2020

*Amount in Rupees*

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Note 13 : Short-term loans and advances</b> (Unsecured, Considered good unless otherwise specified)		
Loans and advances to related parties ( Refer Note 39 (c) )	6,021,060	3,575,158
<b>Other loans and advances</b>		
Advance recoverable in cash or kind	1,589,686	2,957,284
Prepaid expenses	5,329,030	4,287,774
Balance with GST authorities	6,998,010	8,006,255
EMD PDC Recoverable (Refer Note 24(b))		
a) Considered Good	-	-
b) Considered Doubtful	119,579,602	135,881,822
<b>Total</b>	<b>139,517,388</b>	<b>154,708,293</b>

**Note 14 Other current assets**  
(Unsecured, Considered good unless otherwise specified)

Receivable from DGE&T - Ministry of Labour	16,320,488	16,243,104
Receivable from AEPC Gratuity Trust	7,704,302	5,483,404
Interest accrued on bank fixed deposits	27,688,016	27,797,672
Deposit with LIC	4,739,458	5,842,582
Grant Receivable ( Refer Note No. 27)	56,702,823	52,916,855
Other Recievable*	9,607,981	9,711,581
<b>Total</b>	<b>122,763,068</b>	<b>117,995,198</b>

\* Include recoverable from Ex-Secretary General Refer Note 23.2(b)

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Notes to financial statements for the year ended March 31, 2020

Particulars	Note No.	Amount in Rupees	
		Year ended March 31, 2020	Year ended March 31, 2019
<b>Note 15: Income from operations</b>			
Membership Subscription #		60,153,181	61,601,366
Council Fees #		79,530,660	84,461,372
Other Operating Income (Refer Note 21)		45,809,869	60,217,095
<b>Total</b>		<b>185,493,710</b>	<b>206,279,833</b>
# also includes prior period income, as detailed in Note 31			
<b>Note 16: Other income</b>			
Interest income			
- Bank		84,193,165	81,035,255
- Others- From Tax Refund		2,942,412	2,433,792
Profit on sale of fixed Assets- Property, Plant and Equipments		28,063	591,093
Rent		134,090,332	131,561,847
Participation Forfeiture (Refer Note 21)		367,928	3,568,478
Assessing Centre		3,261,670	3,821,400
Revenue Grant from Government for export promotion expenses (Refer Note 21)		19,317,742	44,296,340
Sundry credit balances no longer required written back		839,201	2,278,014
Other non-operating income including miscellaneous income		1,210,737	5,272,766
Provision no longer required written back		1,644,069	5,067,178
Amortisation of Government Grant for Depreciatble Assets	6,461,847		7,084,566
Add: Prior Period Adjustment( Refer Note 31 )	<u>3,046,353</u>	9,508,200	
Less:			
Amount adjusted from Depreciation on asset purchased against Grant Received from Government [Contra] (Refer Note 19)		(6,461,847)	(7,084,566)
<b>Total</b>		<b>250,941,672</b>	<b>279,926,163</b>
<b>Note 17: Employee benefits expense</b>			
Salaries, Wages and Allowances*		138,065,148	142,497,106
Contribution to Provident and Other Funds		8,532,996	8,568,541
Gratuity & Leave Expenses		18,189,627	14,192,245
Employees Welfare Expenses		7,261,602	8,095,050
<b>Total</b>		<b>172,049,373</b>	<b>173,352,942</b>
* Includes Exit Offer Compensation (Refer Note No. 37)			
<b>Note 18: Finance costs</b>			
Interest On Late Payment of Statutory dues		831,010	111,376
Bank Charges		151,291	35,515
<b>Total</b>		<b>982,301</b>	<b>146,891</b>

**APPAREL EXPORT PROMOTION COUNCIL**  
(Limited By Guarantee)  
Notes to financial statements for the year ended March 31, 2020

Particulars	Amount in Rupees	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Note 19: Depreciation and Amortization Expense</b>		
Depreciation of tangible assets:		
- on Assets Purchased out of owned Funds	21,431,714	24,725,213
- on Assets Purchased Against Grant Received from Government	6,461,847	7,084,566
Amortization of intangible assets	315,767	342,446
	<hr/>	<hr/>
	28,209,328	32,152,225
Less:		
Amount credited from Capital Asset Reserve - Govt Grant, as utilised [Contra] (Refer Note 16)	6,461,847	7,084,566
<b>Total</b>	<hr/> <b>21,747,481</b> <hr/>	<hr/> <b>25,067,659</b> <hr/>

**Note 20: Other expenses**

Export Promotion Expenses ( Refer Note 21 )	84,795,452	139,909,216
Power and Fuel	13,205,962	13,195,817
Rent	632,430	602,670
Rates and Taxes	3,498,511	3,695,565
Insurance	1,573,530	1,042,031
Meeting Expenses	13,061,569	8,900,387
Repair and Maintenance - Buildings	3,692,977	5,257,589
Repair and Maintenance - Plant & Machinery	4,826,597	6,384,130
Repair and Maintenance - Others	13,496,645	13,820,326
Travelling, Conveyance and Vehicle expenses	3,090,362	5,149,521
Communication & Postage Expenses	1,559,171	1,587,692
Printing & Stationery Expenses	1,378,038	1,770,095
Legal & Professional Fees	39,379,822	18,178,030
Security Charges	6,619,350	5,928,664
Business Promotion	1,661,272	650,519
Courier & Forwarding Expenses	551,070	685,788
Advertising & Publicity	1,571,741	1,869,378
Auditors remuneration ( Refer Note 30 )	874,450	1,026,435
Prior period expenses ( Refer Note 31 )	2,713,673	2,087,622
Miscellaneous Expenses	1,098,679	567,199
Assessing Centre - MES Scheme	700,743	587,018
Donation	-	37,500
Provision For Doubtful Debts	307595	131,347
Less: Write back during the year	(20966)	-
Contribution for CSR Expenditure	4,047,605	-
Amount Receivable Write Off	245,784	2,508,438
TDS Receivables written off	-	3,623,053
<b>Total</b>	<hr/> <b>204,562,062</b> <hr/>	<hr/> <b>239,196,029</b> <hr/>



## APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2020

Particulars	<i>Amount in Rupees</i>	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Note 21: Export Promotion Expenses</b>		
<u>Overseas Expenses</u>		
Foreign Exhibition Expenses	61,711,504	107,635,624
Foreign Delegation Expenses	9,174,659	9,896,024
<u>Domestic Fairs</u>		
Trade Fairs	1,870,856	1,000,000
Tex Trends Fair/ IIGF Fair/ Textile India	811,646	2,417,613
Expenditure claim not approved by CII for Previous Year event	-	4,756,886
<u>Seminar &amp; Workshop</u>	7,035,125	5,384,788
<u>Other Export Promotion Expenses</u>		
Magazine & Publicity Material	1,384,200	2,751,000
Export Award Function	-	-
Duty Draw Back	1,189,804	2,302,737
Other	1,617,658	3,764,544
<b>TOTAL(1)</b>	<b>84,795,452</b>	<b>139,909,216</b>
<b>Less: Contribution Received</b>		
Foreign Exhibition	43,913,800	57,945,012
<u>Domestic Fairs:</u>		
Tex Trends Fair/ IIGF Fair	1,109,250	461,672
Other	786,819	1,810,411
	<b>45,809,869</b>	<b>60,217,095</b>
Participation Forfeiture	367,928	3,568,478
<u>Revenue Grant from Government: (Refer note No.27)</u>		
For Overseas Events	19,317,742	44,296,340
For Domestic Events	-	-
<b>TOTAL(2)</b>	<b>65,495,539</b>	<b>108,081,913</b>
<b>TOTAL(1-2)</b>	<b>19,299,913</b>	<b>31,827,303</b>

## APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2020

### Note No. 1

#### (A) COMPANY OVERVIEW:

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

#### (B) SIGNIFICANT ACCOUNTING POLICIES:

##### 1.1 Method of Accounting:

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

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

##### 1.3 Fixed Assets & Depreciation:

- a) Property, Plant & Equipment and Intangible assets are capitalized at cost inclusive of all expenses incurred in bringing the asset to its working condition for its intended use.
- b) Property, Plant & Equipment and Intangible assets are shown at historical cost less accumulated depreciation/amortization and impairment loss, if any.
- c) The Council identifies and determines separate useful life of each major component of the Property, Plant & Equipment, if they have useful life that is materially different from that of the remaining asset as per Schedule II of the Companies Act, 2013.
- d) **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. Depreciation on assets purchased during the year is charged on a pro-rata basis for assets purchased during the year. Assets costing less than Rs. 5000 each are fully depreciated in the year of capitalization.
- e) **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.
- f) **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 31<sup>st</sup> March, 2014 and which is carrying in the books at Rs. 1/- is carried at Rs. 1/- only.

- g) **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.

#### 1.4 Intangible Assets & Amortization:

- a) Intangible Assets is stated at cost less accumulated amortization and accumulated impairment loss if any. Intangible Assets comprise of computer software.
- 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 Impairment of Assets.

The management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount.

#### 1.6 Investments:

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

#### 1.7 Revenue Recognition:

Income from operations including annual subscription received from members and revenue of the Council has been recognized on the basis of services provided, to the extent that it is probable that economic

benefits will flow to the Council and the revenue can be reliably measured.

- a) **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 stipulated condition of DGET (Directorate General of Employment and Training) and RDAT (Regional Directorate of Apprenticeship and Training).

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

- b) Interest on staff loans is recognized in the financial year it becomes due or is realized.

c) Entrance fees received from new members/applicants registered during the financial year being a Capital Receipt is directly credited to Reserve.

d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

e) Revenue from lease rentals is recognized in accordance with the terms of lease agreements entered with respective lessees.

#### 1.8 Retirement & other Employee Benefits:

- a) Contribution to defined contribution Plan such as Employees provident fund scheme, Employee State Insurance, are charged to the Income and Expenditure Account as incurred. The contributions are made to a Government Administered Provident Fund & Employee State Insurance Corporation 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 based on actuarial valuations, as at the Balance Sheet date made by independent actuary.
- c) Terminations benefits & other short-term employee benefits are recognized as expenses as and when incurred.

### 1.9 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 (if any) as against recoverable amount is recognized in the Income & Expenditure account in the year of its actual settlement.
- c) Grants in the nature of capital are transferred to Capital Assets Fund-Government Grant to the extent of amount actually utilized and amount not utilized is carried as current liability.
- d) Government grants related to depreciable assets are treated as deferred income which is recognized in the income and expenditure accounts on a systematic and rational basis over the useful life of the assets.

### 1.10 Foreign Exchange Transactions:

- a) Foreign currency transactions are recorded using the exchange rates prevailing on the date of transaction.
- b) Exchange difference arising on settlement/reinstatement are directly transferred to Income & Expenditure account.
- c) Monetary assets and liability denominated in foreign currencies at the year-end are translated at the rates prevailing at the year end.

### 1.11 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 supported by convincing evidences 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.

### 1.12 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 liability is disclosed in the case of a present obligation arising from a past event when it is not probable that an out flow of resources embodying economic benefits will be required to settle the obligation or a possible obligation, unless the probability of out flow in settlement is remote.

### 1.13 Lease Rent:

#### Where the Company is the lessee.

Leases where the lessor effectively retain substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Income & Expenditure 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 Income & Expenditure account on a straight-line basis over the lease term. Cost including depreciation is recognized as expenses in the Statement of Income & Expenditure. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the Statement of Income & Expenditure accounts.

### 1.14 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 deposits with an original maturity of three month or less.

### 1.15 Cash Flow Statement

The Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".

### 1.16 Earnings Per Share

The Council is limited by guarantee and does not have any share capital therefore, disclosure as per AS-20 for Earning Per Share (EPS) is not applicable to the Council.

### Note No. 22: Capital Commitments

Capital commitments of the Council at the year end against the running projects is Rs. 3,58,66,535/- including GST, (previous year Rs. 5,20,74,493/-)

### Note No. 23: Contingent liabilities:

#### 23.1 Claims against Council not acknowledged as debts;

- a) Rs.15,00,000/- in respect of disputed escalation claims from one of the Contractor (Previous Year Rs. 15,00,000/- in respect of disputed escalation claims from one of the Contractor) of Apparel House Building, but not accepted by the Council.
- b) 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/-(Rs. 43,19,00,000/- and Rs. 19,37,00,000/-) for the period from the year 2006-2007 till 31.03.2015 earned from Non Bonafied activities of subletting and leasing certain rented premises of Council. The Council has claimed that, these are bonafied activities as per its objects and Articles of Association and in line with original terms of usage of the premises and has represented vide letters dated 18<sup>th</sup> September, 2015 and 13<sup>th</sup> October, 2015 to the Ministry of Textiles (MoT). The Council has not received any further communication from the Ministry of Textiles. Ministry of Textiles has subsequently also given an approval for renting of some space in the Council's premises. Based on Council's representation with Ministry of Textiles, subsequent approval to rent and legal advice, no provision is considered necessary.
- c) Indian Audit and Accounts Department (IAAD) of Comptroller and Auditor General of India (CAG) had conducted audit u/s 14 of the DPC Act 1971 for the years 2003-04 to 2011-12 and then subsequently for 2012-13. Further, the office of the Chief Controller of Accounts (CCA), Ministry of Textiles (MoT) also carried out an internal audit for the year 2003-04 to 2014-15 special emphasis on the



Government Grants. The IAAD and CCA as a routine procedure issued audit memos as per GFR with regards to non/partially compliances of certain guidelines, tendering process and other observations, which have been responded by the Council forthwith. CAG has concluded its finding on pointing out procedural lapse in tendering and for non-following of the GFR in reducing the rent of one of its premises in the earlier years, resulted in to a notational financial loss of Rs. 17,42,00,000/-. The matter was referred to the Public Accounts Committee (PAC), the PAC in its 129<sup>th</sup> report dated 19.12.2018 has reported flawed tendering and bidding process and undue post contractual benefits to a private party. PAC have also recommended, that the interest on EMD may be deposited in Government Accounts in time bound manner. Based on PAC's report & CCA's recommendation, the MoT has written letter no.8/1/2016-EP (Pt-I) dated 31 October 2018 and reminder letter no. 8/1/2016-EP dated 14 January 2019 directing AEPC to deposit entire interest amount of Rs. 2,14,44,00,000/- and Rs. 17,42,00,000/- being the amount of revenue loss in the Consolidated Fund of India (CFI).

The Council represented and has replied to the matter clarifying that, the interest of Rs. 2,14,44,00,000/- is entire bank interest earned by the Council since inception till March 2016 from all the funds with the Council and not only from EMD, the Council have further clarified that interest on EMD is not payable to the Government as per GEE Policy. The Council also represented and has replied that there is no loss in letting out the premises as the fixation of rent was approved by the competent authority. AEPC filed writ before the Hon'ble Court at Delhi, challenging the legality and validity of the demand raised by the Ministry of Textiles for Rs 2,14,44,00,000/- and Rs. 17,42,00,000/- through letter dated 31.10.2018 and 14.01.2019, and prayed to issue a writ of Mandamus and/or appropriate directions in the nature of writ thereby quashing/setting aside the

Impugned letters dated 31.10.2018 and 14.01.2019 issued by the Ministry of Textiles, where the Court on 24 May 2019 has issued notice to show cause as to why the petition be not admitted and stayed the recovery till next date of hearing. Since the matter is under judicial consideration no provision is considered necessary and the financial statement are prepared on going concern basis.

- d) For Assessment Year 2016-17 and 2017-18, the Assessing Officer has assessed a total tax and Interest thereon amounting to Rs. 8,89,97,404/- & 3,74,13,181 by not accepting the Council's return and taxability u/s. 11 of the Income Tax Act on the ground that, department's appeal for earlier years (A.Y. 2009-10, 2010-11 and 2011-12) is pending at Supreme Court. The Council has filed an Appeal with CIT (A), Delhi, and considering favorable High Court orders, no provision is considered necessary.
- e) 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. 1,02,320/- (Previous year Rs. 1,02,320/-).

### 23.2 Other Contingent Liabilities;

- a) 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. In support of its original tax demand of Rs. 10,66,21,003, the Income Tax department is in appeal in Hon'ble Supreme Court for assessment year 2009-10, 2010-11 and 2011-12 against the favourable orders of Delhi High Court accepting the Council's taxability u/s. 11 of the Income Tax Act. Hon'ble Court on 03/07/2019 has issued notice in the matter and has tagged the same with SLPI No. 020708/2017 (CIT I Delhi Vs. Apparel Export Promotion Council), therefore both the appeals of Income Tax Department

i.e. for AY 2009-10 & 2010-11 and 2011-12 are tagged and will be heard simultaneously. Earlier, the same SLP was tagged by the Hon'ble Supreme Court with the Civil Appeal title "Director General of Income Tax (Exemption) vs. M/s. India Trade Promotion Organization (ITPO) having the similar issues. Considering the favourable orders of High Court for above assessment years no provision is considered necessary.

- b) The Council during the year 2015-16 had demanded recovery of excess salary paid to its ex-secretary general. The excess amount of Rs. 83,06,488/- was determined based on Department of Personal & Training (DoPT) confirmation through letter dated 20.01.2016. The matter has been referred by the Ministry of Textiles (MoT) to Department of Personal & Training (DoPT) for reconsideration of their advice fixing the remuneration, the decision from DoPT is still awaited. In addition to it, an amount of Rs. 2,49,790/- is recoverable against the unsettled advance drawn by him against transfer TA/DA etc. Till such time this is concluded, the amount of Rs. 85,56,278/- is shown as recoverable & not provided for. Further since the matter was pending disposal, no liability has been provided for any additional remuneration.

#### Note No. 24

- a) The Council in view of pending litigation, has not accounted a sum of Rs. **5,11,25,174/-** excluding Regional Licencing Authorities (RLA) cases (Previous Year Rs. 5,69,72,154/- excluding RLA cases) pending based on data as on 31.03.2020, 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 31.03.2020	as on 31.03.2020	as on 31.03.2019	as on 31.03.2019
	Nos.	₹	Nos.	₹
Bank	15	46,96,920	15	46,96,920
TXC	2	17,07,833	3	72,09,653
Court	112	4,02,53,601	121	4,50,65,581
AEPC	2	44,66,820	-	-
<b>Total</b>	<b>131</b>	<b>5,11,25,174</b>	<b>139</b>	<b>5,69,72,154</b>

Apart from the above cases, there are 1921 numbers of cases where forfeiture amount of Rs.71,39,08,186/-(approx..) Previous year 1905 numbers of cases Rs.70,99,33,360/-(approx..) have been referred to Regional Licencing Authorities. (RLAs).

- b) EMD PDC Forfeiture-Dishonoured of Rs. 11,95,79,602/- (Previous year Rs. 13,58,81,822/-) appearing in the "Notes 6, Other Current liabilities" are shown corresponding to the similar amount shown as recoverable under "Notes 13, EMD PDC Recoverable", where the recovery cases are either pending at court level or referred to RLA, detailed above. The liability of Council is linked with recovery of amount.

#### Note No. 25

- a) A Member of Council had filed a petition with the National Company Law Tribunal for alleged mis-management of Council including allegation of mis-utilization of the funds. Subsequently, Ministry of Corporate affairs (MCA) has also filed interlocutory application before NCLT under Section 242(2) (k), 246 read with 339 of the Companies Act 2013 where MCA has sought interim relief in their application from NCLT that the Executive Committee of council be suspended. The matter is represented by the Council. At the present no financial impact can be ascertained as the matter is under judicial consideration before the NCLT Delhi.

- b) Inspection of Books of Accounts by MCA u/s. 206 (5) of Companies Act, 2013 was carried

by the MCA on the recommendation of Ministry of Textiles for appointment of a Government administrator through their letter dated 12.07.2016 to MCA. MCA has submitted its final Report at NCLT where beside the general observations as raised by CAG/CCA, they have also pointed out certain non-compliance of disclosure in the financial statements and alleged portray of its state of affairs in terms of Section 447, 448, 166, 140 (5), 224, 135(3) read with 134 (3), 135, 128, 129, 134, 206 (7), 143, 242/628 of Companies Act, 2013/Companies Act 1956. On the basis of the report, Registrar of Companies (RoC) has filed a complaint u/s 628/447-448 for contravention u/s 628/447-448 of the Companies Act, 1956/2013 in the court of LD. ASJ (SPL Court), Dwarka Courts, Delhi on management, represented by all signatories of the Annual Accounts w.e.f. 2004-05 to 2016-17 (except signatories who were Government Officer/Nominees). Applications u/s 482 of CRPC was filed before the Delhi High Court by the respondents, for quashing the complaint case

proceedings in the Dwarka special Court and the proceedings are pending.

#### Note No. 26

Penalties and Earnest Money Forfeited of Rs. 1,23,03,791/- (Previous year Rs. 1,00,41,542/-) 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. 27

The Government has released following grants for various projects, the actual expenditure incurred and the balance amount carried forward as Grants received in advance along with grant recoverable are as under:

Sl. No	Name of the Project	Balance carried forward from last year		Grant Received from Government 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 events)	18,84,715*	1,89,18,875	18,68,93,434*	18,84,715*	1,93,17,741	14,71,484*	98,84,197
	EP Projects- MAI (Domestic events)	-	-	-	-	-	15,70,69,500	-
2	<b>Other Grants:</b>							
	Common Compliance Code-DISHA	37,84,122	Nil	Nil	Nil	Nil	37,84,122	Nil
	Establishment of Five Apparel Training Centre in Bihar	22,594	Nil	29	22623	Nil	Nil	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 Government of India. (including S.Tax / GST)	Nil	3,39,97,980	Nil	Nil	1,28,20,647	Nil	4,68,18,627
	<b>Total</b>	<b>71,97,189</b>	<b>5,29,16,855</b>	<b>18,68,93,463</b>	<b>19,07,339</b>	<b>3,21,38,388</b>	<b>16,38,30,864</b>	<b>5,67,02,824</b>

\* Includes interest of Rs. 83,514/- (Previous year Rs. 56,110/-) on un-utilized/non-eligible MAI Grants.

### 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 ₹	Previous Year ₹
Opening Balance	78,36,863	76,21,978
Interest Credited During the year (No fund released)	2,19,467	2,14,885
<b>Total</b>	<b>80,56,330</b>	<b>78,36,863</b>
Less: Amount disbursed/refunded during the year	Nil	Nil
<b>Closing Balance</b>	<b>80,56,330</b>	<b>78,36,863</b>

### Note No. 29

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

Description	Current Year ₹	Previous Year ₹
Expenditure on Travel, Delegations, Trade Fairs, Seminars, Market Study, Publicity and Travel Reimbursements etc.	6,10,52,216	10,88,67,145
<b>Total</b>	<b>6,10,52,216</b>	<b>10,88,67,145</b>

The unhedged foreign currency exposures at the year-end 31.03.2020 is Nil (previous year Nil).

### Note No. 30

Auditor's Remuneration includes:

Description	Current Year ₹	Previous Year ₹
<b>As Auditors</b>		
Audit Fee (Excluding GST)	7,88,080	7,16,435
Taxation Matters (Excluding GST)	80,000 6,370	3,10,000 Nil
Out of Pocket Expenses (Excluding GST)		
<b>Total</b>	<b>8,74,450</b>	<b>10,26,435</b>

### Note No. 31

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

Sl. No	Particulars	Current Year ₹	Previous Year ₹
1	EP Activity	9,12,379	10,29,647
2	Repairs & Maintenance	1,30,972	1,48,793
3	Security Charges	2,97,212	8,27,297
4	Electricity, Generator and Water Charges	3,48,181	-
5	Employee Benefits & Entertainment	1,250	44,550
6	Professional Charges	-	20,000
7	Travelling Inland	1,22,188	-
8	Communication Exp	2,24,740	-
9	Meeting	82,568	-
10	Skill Assessment	5,68,308	-
11	Others	25,875	17,335
	<b>Total</b>	<b>27,13,673</b>	<b>20,87,622</b>

b) Income relating to previous year are on the following accounts: -

Sl. No	Particulars	Current Year ₹	Previous Year ₹
1	Membership Subscription	-	14,38,612
2	Council Fee	-	3,81,021
3	Prior Period Adjustments Amortization of Grant assets for depreciable assets	30,46,353	-
	<b>Total</b>	<b>30,46,353</b>	<b>18,19,633</b>

### Note No. 32 Income Tax/Deferred Tax:

The Council being Company under Section 8 of the Companies Act, 2013 is registered under Section 12A of the Income Tax Act, 1961 and is claiming taxable u/s 11 of the Income Tax Act, 1961. The expenditure incurred is towards objects of the Council is treated as application of income under the provisions of Section 11 of the Income Tax Act, 1961 and 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. 33 Employees Benefit Plans:

(i) Define Contribution Plans:		Current Year ₹		Previous Year ₹			
The Company has recognized in the Income and Expenditure Accounts for the Year ended March 31, 2020 an amount of expenses under defined contributions plans benefit: -Contribution to Provident Fund -Employees State Insurance		85,09,072 23,924		85,13,851 54,690			
(ii) Defined Benefit Plans:							
The Company operates post retirement defined benefit plan for retirement Gratuity which is funded. Leave Encashment is funded for all regular employees except regular employees who joined on or after financial year 2012-13 and all contractual employees.							
		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	8,76,64,686	7,77,87,576	3,91,19,090	3,71,20,521	1,04,76,132	97,08,526
(b)	Current Service Cost	37,05,853	38,10,311	21,56,159	20,61,116	-	-
(c)	Interest Cost	66,71,283	58,49,626	29,76,963	27,91,463	797,234	7,30,081
(d)	Actuarial (Gain)/Loss	43,45,357	3,95,601	39,66,584	17,24,034	5,51,939	6,73,610
(e)	Benefits Paid	(1,61,06,607)	(1,78,428)	(72,35,521)	(45,78,044)	(15,57,800)	(6,36,085)
(f)	Obligation as at the end of the year	8,62,80,572	8,76,64,686	4,09,83,275	3,91,19,090	1,02,67,505	1,04,76,132
(2)	Change in Plan Assets (Reconciliation of Opening and Closing balances):						
(a)	Fair value of plan asset as at the beginning of the year	7,85,72,433	4,74,63,741	45,084,716	4,20,65,906	-	-
(b)	Actual return of plan assets	49,73,393	37,21,953	28,89,714	32,66,025	N/A	N/A
(c)	Contribution	29,11,222	2,76,13,434	-	-	-	-
(d)	Benefits paid	(13,885,709)	(1,78,428)	(67,60,316)	(2,47,215)	-	-
(e)	Charges deducted	(54,758)	(48,267)	-	-	-	-
(f)	Fair value of plan assets as at the end of the year	7,25,16,581	7,85,72,433	41,214,114	4,50,84,716	-	-
(3)	Reconciliation of obligation & plan Assets:						
(a)	Present Value of obligation as at the end of the year	8,62,80,572	8,76,64,686	4,09,83,275	3,91,19,090	1,02,67,505	1,04,76,132
(b)	Fair Value of Plan Assets as at the end of the year	7,25,16,581	7,85,72,433	41,214,114	4,50,84,716	-	-
(c)	Assets/ (Liabilities) recognized in the Balance Sheet	(1,37,63,991)	(90,92,253)	2,30,839	59,65,626	(1,02,67,505)	(1,04,76,132)
(d)	Assets/ (Liabilities) Not recognized in the Balance Sheet	-	-	-	-	-	-
(4)	Expenses recognized during the year:						
(a)	Current Service Cost	37,05,853	38,10,311	21,56,159	20,61,116	-	-
(b)	Interest Cost	66,71,283	58,49,626	29,76,963	27,91,463	797,234	7,30,081
(c)	Expected Return on Plan Assets	(59,63,648)	(35,83,512)	(31,78,472)	(32,18,042)	-	-
(d)	Actuarial (Gain)/Loss recognized during the period	53,90,370	3,05,427	42,55,342	16,76,051	5,51,939	6,73,610
(e)	Expenses/(Income) recognized during the Year in the I&E	98,03,858	63,81,852	62,09,992	33,10,588	13,49,173	14,03,691
(f)	Best estimate for contribution during next year	39,34,255	40,42,560	22,44,676	31,99,640	11,41,253	10,69,555
(5)	Assumption:						
(a)	Discount Rate (p.a.)	6.69%	7.61%	6.69%	7.61%	6.69%	7.61%
(b)	Expected Rate of Return on Planned Assets (p.a.)	7.27%	7.59%	7.05%	7.59%	N/A	N/A
(c)	Rate of Escalation in Salary (p.a.)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
(d)	Average remaining Working Lives of Employees(years)	12.34	13.59	12.34	13.59	12.34	13.59
(6)	Experience Adjustments:						
	Experience Adjustment loss/(Gain)-Plan Assets	10,45,013	(90,174)	(28,89,714)	(47,983)	-	-
	Experience Adjustment loss/(Gain)-Obligations	(11,31,748)	9,36,909	9,66,529	20,03,785	(29,147)	7,28,608

(7) Reconciliation of fair value of assets and obligations for the past years:	31st March 2018			31st March 2017			31st March 2016		
	Gratuity ₹	EL ₹	ML ₹	Gratuity ₹	EL ₹	ML ₹	Gratuity ₹	EL ₹	ML ₹
Present Value of Obligation	7,77,87,576	3,71,20,521	97,08,526	5,59,96,024	3,67,96,350	9950973	4,45,46,524	26349055	78,06,447
Fair Value of Plan (Assets)	4,74,63,741	4,20,65,906	-	3,92,37,887	3,92,37,664	-	3,62,98,464	3,62,98,464	-
(Assets)/Liability Recognized in the Balance Sheet	3,03,23,835	(49,45,385)	97,08,526	1,67,58,137	(24,41,314)	9950973	82,48,060	(10139112)	78,06,447

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. 34

### Leases Rent (Operating Leases):

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

Lease expenses of Rs.6,32,430/- (previous year Rs. 6,02,670/-) is recognized in Statement of Income & Expenditure.

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

Some of the terms of lease of office premises have an initial lock-in period. Lease receipts of Rs.13,40,90,332/- (Previous Year Rs.13,15,61,847/-) are recognized in the Statement of Income & Expenditure as per terms of agreement. For the office premises given on lease for the period of lock-in period, the details of such non-cancellable portion are as follows;

S. No.	Assets given on lease:	Current Year ₹	Previous Year ₹
a)	Total of minimum lease payments receivable		
*	The total of minimum lease payments receivable for a period	1,16,64,608	1,30,40,930
		35,67,755	1,00,00,323
		Nil	Nil
	* Not later than one year		
	* Later than one year and not later than five year		
	* Later than five years		

## Notes No. 35

### 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. 36

### Expenditure on Corporate Social Responsibility (CSR)

(a) Considering amendment vide The Companies (Amendment) Act, 2017 dated 03-01-2018 w.e.f. 19-09-2018 under Section 135(1) of the Companies Act 2013, though the Council does not have a surplus exceeding Rs.5 crores in the previous year, however, as per Rule 3(2) of the Companies (Corporate Social Responsibility Policy) the CSR would be applicable for three consecutive years and Council was required to contribute Rs. 14,19,800/- during F.Y 2019-20 (previous year Rs. 26,27,805/-) towards CSR.

(b) Amount approved by the Executive committee to be spent during the year is Rs. 40,47,605/-

(c) Amount spent during the year ended 31 March, 2020:

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	40,47,605	-	40,47,605
(Previous Year)	(-)	(-)	(-)

(d) Details of related party transactions:

S.N.	Transaction	Current Year ₹	Previous Year ₹
i.	Contribution paid during the year ended 31st March, 2020	Nil	Nil
ii.	Payable as at 31st March, 2020	Nil	Nil

## Notes No. 37

During the year, the Council has offered Exit Offer Scheme to its regular employees, the Council has accepted and relieved one employee and Rs. 32,99,508/- as lumpsum amount has been

charged off in income & expenditure accounts under the head Salaries, wages & allowances.

### Notes No. 38

Spread of COVID-19 has affected the economic activity across the Globe including India. This impact on the activities & revenue of the Company will depend upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates, the Company due to COVID -19 pandemic does not anticipate any major challenge in meeting its Financial obligations, on long term basis. Further, the Company does not carry any risk in the recoverability and carrying values of its assets including Property, plant and Equipment trade receivable and investments. The Company does not anticipate any additional liability as at Balance Sheet date due to COVID-19 pandemic. However, the Company will closely monitor any material changes to future economic conditions impacting its operations.

### Notes No. 39

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

a) List of related parties: Enterprises where the Council exercises control by way of power to nominate the majority of the composition of the governing bodies:

- 1.Apparel Training & Design Centre (ATDC)
- 2.AEPC Society for Human Resource Development (IAM)
- 3.AEPC Society for Rural Development & Labour Welfare Foundation (AEPCRD&LWF)
- 4.Apparel Made-ups Home Furnishing SSC (AMHSSC)
5. International Garment Fair Association (IGFA)

b) Key Management Personnel;

1. Chairman:

- Sh. H.K.L Magu up to. 31/12/2019
- Dr. A. Sakthivel W.e.f. 01/01/2020

2. Secretary General:

- Sh.Sanjeev Nandwani W.e.f. 02/12/2019

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

(i) Enterprises over which KMP is able to exercise significant control:

Enterprises	Particulars	Current Year	Previous Year
		₹	₹
M/s. Jyoti Apparels Private Limited: (Balance As on 31.03.2020 Rs. Nil)	Annual Membership Subscription	10,030	10,030
M/s. Poppys Knitwear Pvt. Ltd (Balance As on 31.03.2020 Rs. Nil)	Annual Membership Subscription	9,601	-
M/s. Poppys Vista Hotel Pvt. Ltd. (Balance As on 31.03.2020 Rs. 114962/- Credit)	Hotels and banquet booking.	2,50,392	-
M/s. Poppys Tours Pvt. Ltd. Balance As on 31.03.2020 Rs. 89863/- Credit)	Various ticket booking for meeting and travel.	4,68,771	-
	<b>Total</b>	<b>7,38,794</b>	<b>10,030</b>

(ii) Transaction with KMPs other than Chairman:

KMP	Designation	Nature of Transaction	Current Year	Previous Year
			₹	₹
Mr. Sanjeev Nandwani,	Secretary General w.e.f. 02.12.2019	Remuneration (CTC)	21,42,049	-
		<b>Total</b>	<b>21,42,049</b>	

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

Particulars	Apparel Training & Design Centre (ATDC)		AEPC Society for Human Resource Development (IAM)		AEPC Society for Rural Development & Labour Welfare Foundation (AEPC RD&LWF)		Apparel Made-ups Home Furnishing SSC (AMHSSC)		International Garment Fair Association (IGFA)	
	C. Year	P. Year	C. Year	P. Year	C. Year	P. Year	C. Year	P. Year	C. Year	P. Year
Transaction during the Year;	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Lease Charges Received	77,78,215	73,98,798	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Reimbursement of Expenses/Contribution-paid	13,77,831	26,397	Nil	Nil	Nil	Nil	Nil	Nil	24680	24,26,354
Reimbursement of Expenses/Contribution -received	22,92,600	15,43,462	Nil	Nil	Nil	Nil	Nil	Nil	1287	5,42,793
Assessment Charges Received (Non-MES)	Nil	Nil	Nil	Nil	Nil	Nil	32,66,500	37,78,200	Nil	Nil
<b>Balance at the end of the year:</b>										
<b>Amount due to</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>238</b>	<b>71,25,094</b>
<b>Amount due from</b>	<b>60,21,060</b>	<b>35,75,158</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>12,56,970</b>	<b>7,98,120</b>	<b>Nil</b>	<b>Nil</b>

**Notes No. 40**

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

**As per our Report of Even Date Attached**

**For SCV & Co. LLP.**

(FRN No.000235N/N500089)

Vidur Puri  
Partner  
Membership no.90163

Place: New Delhi  
Date: 31/07/2020

**For and on behalf of the Executive Committee**

**A. Sakthivel**  
Chairman  
DIN : 00027485

**Narendra Goenka**  
Vice Chairman  
DIN : 01234889

**Vijay Kumar Agarwal**  
Chairman F&B  
DIN : 00108710

**Sanjeev Nandwani**  
Secretary General

**Sumit Gupta**  
Secretary

**Kundan Srivastava**  
Sr. Director - Finance

Place: Gurugram  
Date: 31/07/2020











**APPAREL EXPORT PROMOTION COUNCIL**

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

CIN NO. U74899DL1978NPL008877

Telfax No. 011-40501798, Email:-[aepcokhla@aepcindia.com](mailto:aepcokhla@aepcindia.com), Website: [www.aepcindia.com](http://www.aepcindia.com)