



APPAREL EXPORT PROMOTION COUNCIL

ANNUAL REPORT

2022-2023



**ANNUAL
REPORT
2022-2023**











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**44th ANNUAL REPORT
2022-2023**

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EXECUTIVE COMMITTEE

NARENDRA GOENKA **CHAIRMAN**
SUDHIR SEKHRI VICE-CHAIRMAN
ASHOK G. RAJANI
VIJAY KUMAR AGARWAL
RAVI PODDAR
R. B.GOENKA
PREMAL H UDANI
PRAVIN KUMAR AGARWAL
DILIP B. TRIVEDI
SAMIR NARAYAN BHUTA
H.K.L MAGU
HARISH AHUJA
LALIT THUKRAL
ANIL PESHAWARI
VIRENDER UPPAL
LALIT GULATI
RAKESH VAID
GAUTAM NAIR
ANIL BUCHASIA
Dr. A SAKTHIVEL
AJAY AGARWAL
P.P.K PARAMASIVAM
R.RAMU
K.M. SUBRAMANIAN
B SHANMUGASUNDARAM
RAJEEV S. GOENKA
P.BALASUBRAMANIAN
V. ELANGO VAN
VIJAY JINDAL CO-OPTED MEMBER
NAVIN AGARWAL CO-OPTED MEMBER
SIVA GANAPATHI CO-OPTED MEMBER

SECRETARY GENERAL
MITHILESHWAR THAKUR

SECRETARY
SUMIT GUPTA

LEGAL ADVISOR
KULJEET RAWAL
RAJESH RAWAL

AUDITOR
SCV& Co.LLP

BANKERS
AXIS BANK LTD
INDIAN OVERSEAS BANK
INDUSIND BANK
UNION BANK OF INDIA
STATE BANK OF INDIA
HDFC BANK
IDFC FIRST BANK LTD
ICICI BANK LTD
IDBI BANK
CANARA BANK
YES BANK LTD.
UCO BANK
BANK OF BARODA
CENTRAL BANK OF INDIA

REGISTERED OFFICE
A-223, OKHLA INDUSTRIAL AREA, PHASE1,
NEW DELHI-110020
CIN : U74899DL1978NPL008877
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WEBSITE: WWW.AEPCINDIA.COM
TELEPHONE: 011- 40501798

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

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

NOTES:

1. Council members are requested to keep the soft copies of the Annual Report handy during the meeting, as the Annual Report 2022-23 will only be send through E-Mail to all Members, as per the MCA Circular No. 20/2020 dated 05.05.2020 read with Circular No. 09/2023 dated 25.09.2023.
2. Members having any queries on accounts are requested to send them in advance to the Council to enable to collect the relevant information.

NOTICE

Notice is hereby given that the 44th Annual General Meeting of the Council will be held on 27th December, Wednesday 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 31st March, 2023, along with the report of the Auditors and the Executive Committee of the Council.
2. To consider the re-appointment of M/s SCV & Co LLP Chartered Accountants (Firm Registration No. 000235N/N500089) as Statutory Auditors of the Council, to hold the office from the conclusion of this Annual General Meeting till the conclusion of 49th Annual General Meeting of the Council to be held in the year 2028 and to fix their remuneration, who has been re-appointed at Executive Committee Meeting held on 26.08.2023.

Special Business:-

To consider and if thought fit, to pass, the following resolution as Ordinary Resolution:-

3. "Resolved That pursuant to the provisions of section 181 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 2013 & rules made thereunder (the Act), consent is hereby accorded to contribute an amount of Rs.1Crore to be made for financial year's i.e 2022-23, 2023-24 & 2024-25 for promotion and position 'Kasturi India Cotton' as a premium brand from India.

Resolved Further That consent is hereby accorded to authorize the Executive Committee of the Council to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, council, benevolent or general fund, society, association, institution, trust, organization, upto an amount not exceeding to Rs,1,00,00,000/- (Rupees One Crore only) in any financial year, notwithstanding the fact that said amount may exceed 5% of the Company's average net profit as determined in accordance with the provisions of the Companies Act, 2013 during the three years immediately preceding the current Financial Year.

Resolved Further That the Executive Committee be and is hereby authorised to do all such acts, deeds and things as may be expedient to give effect to this resolution."

By order of the Executive Committee

Sumit Gupta
(Secretary)

Place: Gurugram
Date: 23.11.2023

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

Explanatory Statement pursuant to Section 102 (2) of the Companies Act, 2013

Item no 3

Shri Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution during interactions with the industry on 24.07.2022 had set up a Textile Advisory Group (TAG) on Cotton with a view to focusing on improving yield, farming practices and above all to brand Indian Cotton, especially the 'Kasturi' variety. He assigned the task of rejuvenating the efforts of branding Indian Cotton to the industry and trade representatives in the Textile Advisory Group covering the entire value chain by creating sub groups to take the matter forward.

In the meeting held on 5th September 2022, the sub groups had presented the scope of work and activity to be carried out to promote 'Kasturi India Cotton' program which included Traceability, Certification and Branding. The Task Force team comprising of industrialists, Government officials, farmers, technical and branding experts had estimated an outlay of approximately Rs. 30 crores over 3 years to be shared equally between Trade & Industry and the Ministry of Textiles, Government of India.

The Council signed a Memorandum of Association with the Cotton Corporation of India (CCI) on 15th December 2022. As per the MoU (Para 9), the Ministry of Textiles will consider allocating a budget of Rs. 5 crores for the financial year FY 2022-23 and the remaining balance of Rs. 10 crores in the subsequent years. This initial amount will be deposited by them only when a matching amount of Rs. 5 crores are contributed by Trade & Industry. AEPC was chosen as one of the contributors to this corpus along-with other associations namely CAI/CITI/SIMA/TEXPROCIL.

Therefore, the AEPC would require to contribute an amount of Rs.1 Crore to promote and position 'Kasturi India Cotton' as a premium brand from India. The contribution would be made for fiscal years i.e 2022-23, 2023-24 & 2024-25.

278th Executive Committee meeting of the Council in its meeting held on 26.06.2023 at New Delhi approved the contribution of an amount of Rs.1 Crore to be made in 3 financial years i.e 2022-23, 2023-24 & 2024-25 for promotion and position 'Kasturi India Cotton' as a premium brand from India. The contribution would be subject to the prior approval required, as per Section 181 of the Companies Act 2013, in ensuing Annual General Meeting of the Council and to authorize Executive Committee of the Council to contribute up to Rs.1 crore in a financial year to bona fide charitable and other funds.

The resolution is recommended for approval of the members. None of the Executive Committee Members of the Council and their relatives is in any way financially or otherwise concerned or interested in the resolution.

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@aepecindia.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@aepecindia.com

NOTES:-

- [a] Department of Commerce as per their office memorandum No.12/1/2017-E&MDA dated 10.05.2023 read with OM No.12/1/2017-E&MDA dated 27.06.2023 wherein they have put on hold all ongoing elections, including those without declared results, until further notice and has also instructed to maintain the status quo till the new guidelines for eligibility for the election of the office bearers of EPCs are issued. Accordingly the business regarding the Election of Executive Committee Members of AEPC has been kept on hold and whosoever is required to retire at this AGM shall continue to hold their office till the new guidelines be issued.
- [b] "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 E-Voting/Remote-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 are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there and cast their votes through E-Voting.
- [c] The Register of Members of the Council will be closed from 21.12.2023 to 27.12.2023 (both days inclusive)

Place: Gurugram
Date: 23.11.2023

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 44th 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, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs followed by Circular No. 9/2023 dated September 25, 2023 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 44th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10:45 AM. IST i.e. 15 minutes before the time scheduled to start the 44thAGM and the Council will close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 44th AGM i.e 11:15AM.
 - 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 44th 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, May 05, 2020, January 13, 2021, May 05th. 2022 and September 09, 2023 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 2022-23 and the Financial Statements for the year 2022-23 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 and website of NSDL (agency for providing the Remote e-Voting/ e-Voting facility) i.e. www.evoting.nsdl.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.2023@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, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No.02/2021 dated January 13, 2021, MCA Circular 2/2022 dated May 05, 2022, MCA Circular 09/2023 dated September 09, 2023 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 24.12.2023 at 09:00 A.M and ends on 26.12.2023 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.nsdl.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. Please enter the user ID and password provided in the PDF file attached with the e-mail.

Details on Step 2 are 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 to reset the password.
- ii. The voting rights of members shall be one person one vote as on cut-off date i.e

20.12.2023 (Wednesday). 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. Sachin Agarwal, Practicing Company Secretary 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

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or call NSDL at 022 - 48867000 / 022-24997000.

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 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.com. or contact Mr. Amit Vishal, Senior Manager or Ms. PallaviMhatre, Manager, National Securities Depository Ltd., Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai-400013, at the designated email IDs: evoting@nsdl.com or AmitV@nsdl.com or pallavid@nsdl.com or at telephone nos. : 022-48867000 or 022- 24997000, 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 AREAS 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 at least 48 hours in advance before the start of the 44th AGM i.e. by 25.12.2023 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. 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.

By order of the Executive Committee

Place: Gurugram

Sumit Gupta

Date: 23.11.2023

Secretary

Registered Office:

A-223, Okhla Industrial Area, Phase-1

New Delhi-110020

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EXECUTIVE COMMITTEE'S REPORT FOR THE FINANCIAL YEAR 2022-23.

The Executive Committee of the Council has great pleasure in presenting the 44th Annual report along with the Income & Expenditure Account, Balance Sheet and the Auditor's Report for the Year ended 31st March, 2023.

REVIEW OF EXPORTS – PERFORMANCE IN 2022-23.

India's Readymade Garment (RMG) export to World for the financial year 2022-23 were to the tune of USD 16205 Million

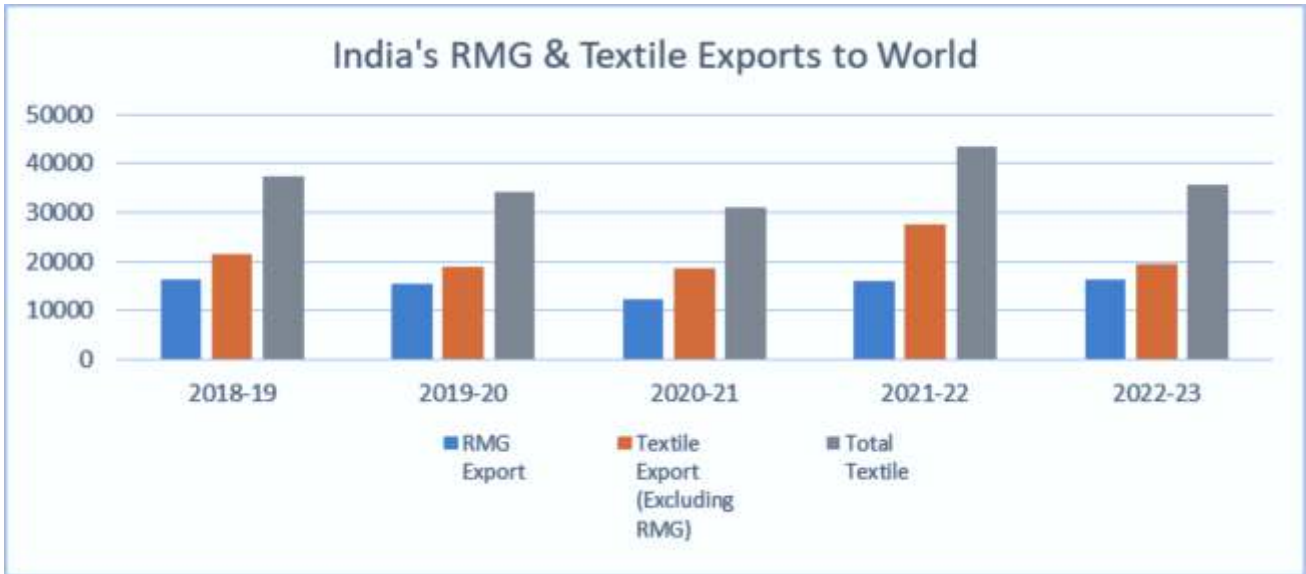
(mn) It has increased by 1.1 % in dollar terms, as compared to the same period of previous financial year in 2021-22. During 2021-22 India's apparel exports were to the tune of USD 16021 mn.

In Rupee (Rs.) terms, RMG export for the period of 2022-23 was Rs. 129985.2 Crore (Cr.) as against Rs. 119466.5 Cr. in 2021-22. During 2022-23, RMG exports have increased by 8.8 % in Rupee terms, as compared to same period of previous year

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

Table 1: India's RMG & Textile Exports to World (Growth and Share in %)								
Financial Year	Value in USD Mn.			RMG Share in India's Total Textile & Clothing Export to World in %	Share in India's All Commodity Export (in %)		Y-o-Y Growth in %	
	RMG Export	Textile Export (Excluding RMG)	Total Textile		RMG Export	Textile & Clothing Export	RMG Export	Textile & Clothing Exports
2018-19	16156	21341	37497	43	4.9	11.4	-3.4	6.6
2019-20	15510	18712	34222	45	4.9	10.9	-4.0	-12.3
2020-21	12290	18615	30904	40	4.2	10.6	-20.8	-0.5
2021-22	16021	27417	43438	37	3.8	10.3	30.4	47.3
2022-23	16205	19462	35667	45	3.6	7.9	1.1	-29.0

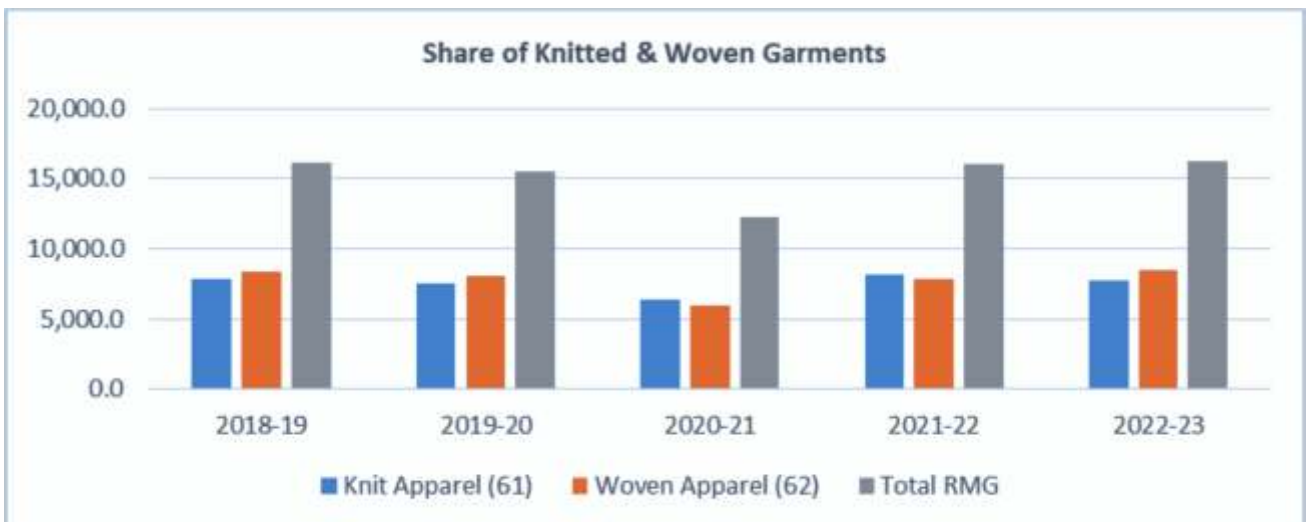
Source: DGCI&S 2023



Share of Knitted & Woven Garments

- Export of Knitted Garment from India were USD 7,704.9 mn. in 2022-23 in comparison to USD 8,175.08 in 2021-22. It registered a decline of 5.8 % in comparison to same period of previous financial year. Knitted garments share was 47.5% in India's total RMG exports.
- Export of Woven Garment from India were USD 8,500.17 mn. in 2022-23 in comparison to USD 7,845.60 in 2021-22. It registered an increase of 8.3 % in comparison to same period of previous financial year. Woven garments share was 52.5 % in India's total RMG exports.

	2018-19	2019-20	2020-21	2021-22	2022-23
Knit Apparel (61)	7,820.4	7,514.8	6,348.0	8,175.1	7,704.9
Woven Apparel (62)	8,336.0	7,994.8	5,941.8	7,845.6	8,500.2
Total RMG	16,156.4	15,509.6	12,289.9	16,020.7	16,205.1



World RMG Trade

Global RMG trade was USD 558.5 billion in 2022, out of which India's exports were only USD 17.2 billion, while China's exports were USD 167.8 billion, Bangladesh's exports were USD 55.4 bn., Vietnam exports were USD 41.6 bn.

India is the 7th largest apparel exporter in the world with 3.1% share. The top three suppliers are China (30.0%), Bangladesh (9.9%) and Vietnam (7.5%).

The position of India vis-à-vis major competing countries in the global RMG exports is given in the Table-3.

Table 3: Global RMG Exporters

S. No.	Country	Export in USD Bn.					2022 over 2021 Change in %	Share %				
		2018	2019	2020	2021	2022		2018	2019	2020	2021	2022
	World	473.5	472.0	418.1	505.5	558.5	10.5	100	100	100	100	100
1	China	145.0	138.0	124.5	156.6	167.8	7.2	30.6	29.2	29.8	31.0	30.0
2	Bangladesh	38.7	40.4	35.9	45.3	55.4	22.4	8.2	8.6	8.6	9.0	9.9
3	Viet Nam	28.2	30.0	27.0	29.4	41.6	41.6	5.9	6.4	6.5	5.8	7.5
4	Italy	23.4	24.2	20.8	25.2	28.4	12.8	4.9	5.1	5.0	5.0	5.1
5	Germany	23.4	23.8	22.6	25.7	25.3	-1.4	4.9	5.0	5.4	5.1	4.5
6	Turkey	15.3	16.1	15.0	18.3	19.5	6.4	3.2	3.4	3.6	3.6	3.5
7	India	15.7	16.2	12.2	15.2	17.2	13.4	3.3	3.4	2.9	3.0	3.1
8	Spain	14.1	14.3	11.6	15.4	15.7	2.0	3.0	3.0	2.8	3.0	2.8
9	France	12.0	12.0	10.4	12.5	13.9	11.0	2.5	2.5	2.5	2.5	2.5
10	Netherlands	10.4	11.2	11.1	13.8	13.8	0.0	2.2	2.4	2.6	2.7	2.5

Source: UN Comtrade, 2023

India's Top 10 RMG Export Destinations in 2022-23

In 2022-23, USA has maintained top position in India's RMG exports destination with USD 5,411.4 mn. exports (with a share of 33% in India's total RMG exports); registering a growth of 1.3 % as compared to the year 2021-22.

India's RMG exports to UAE (2nd largest export destination) amounted to USD 1,470.2 mn. in 2022-23 as compared to USD 1,824.9 mn in 2021-22 (with a share of 9.1% in India's total RMG exports) showing a decline of 19.4 %.

Table 4: India's Top 10 RMG Export Destinations

S. No.	Countries	Export in USD mn.			%Change (2022-23 over 2021-22)	% Share		
		2020-21	2021-2022	2022-2023		2020-21	2021-2022	2022-2023
		Total RMG Export	12289.9	16020.9	16205.1	1.1	100	100
	Sum of Top 10	9,036.0	12,287.6	12,157.6	-1.1	73.5	76.7	75.0
1	USA	3,292.9	5,343.0	5,411.4	1.3	26.8	33.4	33.4
2	UAE	1,609.4	1,824.9	1,470.2	-19.4	13.1	11.4	9.1
3	UK	1,071.9	1,393.3	1,228.6	-11.8	8.7	8.7	7.6
4	Germany	797.5	941.2	988.6	5.0	6.5	5.9	6.1
5	France	514.9	632.3	694.7	9.9	4.2	3.9	4.3
6	Spain	498.5	586.2	644.1	9.9	4.1	3.7	4.0
7	Netherland	393.2	547.4	627.9	14.7	3.2	3.4	3.9
8	Saudi Arab	377.0	381.5	412.1	8.0	3.1	2.4	2.5
9	Italy	275.9	361.7	377.4	4.3	2.2	2.3	2.3
10	Australia	204.9	276.0	302.7	9.7	1.7	1.7	1.9
	<i>Others</i>	<i>4,230.8</i>	<i>3,253.9</i>	<i>4,047.5</i>	<i>24.4</i>	<i>34.4</i>	<i>20.3</i>	<i>25.0</i>

Source: DGCI&S, 2023

India's Region wise Export destination in 2022-23

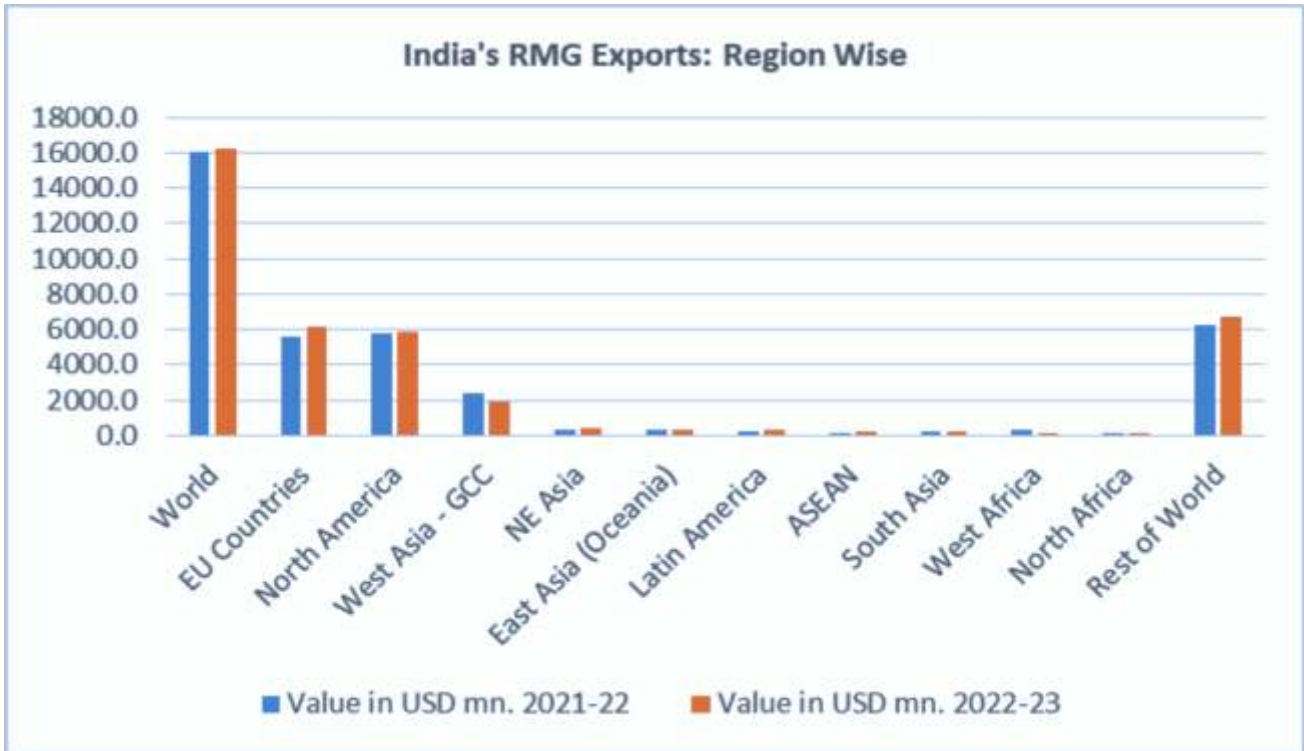
EU emerged as top region for India's RMG exports with 37.9% share with a value of USD 6148.1 Mn. which increased by 9.3% as compare to FY 2021-22. North America became India's 2nd largest region with a

share of 36.3% a value of USD 5877.0 Mn. which increased by 2.7% compared to FY 2021-22. Despite a decline of 23.0% compare to 2021-11, West Asia – GCC remain the 3rd largest export region for India which has a share of 11.5% of India's total RMG exports.

Table 5: India's RMG Exports: Region Wise

S. No.	Countries	Value in USD mn.		% Change (2022-23 over 2021-22)	% Share	
		2021-22	2022-23		2021-22	2022-23
	World	16020.7	16205.1	1.2	100	100
1	European Union	5625.7	6148.1	9.3	35.1	37.9
2	North America	5724.4	5877.0	2.7	35.7	36.3
3	West Asia - GCC	2425.9	1867.5	-23.0	15.1	11.5
4	NE Asia	322.7	382.2	18.4	2.0	2.4
5	East Asia (Oceania)	319.6	353.0	10.4	2.0	2.2
6	Latin America	257.5	309.1	20.0	1.6	1.9
7	ASEAN	167.2	240.8	44.0	1.0	1.5
8	South Asia	236.5	212.4	-10.2	1.5	1.3
9	West Africa	273.4	151.1	-44.7	1.7	0.9
10	North Africa	49.6	72.8	46.8	0.3	0.4
	Rest of World	6243.9	6739.2	7.9	39.0	41.6

Source: DGCI&S, 2023



Note:

- European Union – Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherland, Poland, Portugal, Romania, Slovak Rep, Slovenia, Spain, Sweden
- North America – Canada, Mexico, USA
- North East Asia – China, Japan, North Korea & South Korea, Taiwan, Hong Kong, Macao, Mongolia
- East Asia – Australia, Fiji Island, Kiribati Rep, Nauru Rep, New Zealand, Papua New Guinea, Timor Leste, Solomon Island, Tonga, Tuvalu, Vanuatu Rep, Samoa
- Latin America – 43 Countries
- West Asia GCC – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia & United Arab Emirates
- ASEAN – Brunei, Cambodia, Indonesia, Lao PDRP, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam
- South Asia – Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka
- West Africa – 22 Countries
- North Africa – Algeria, Egypt, Libya, Morocco, Sudan, Tunisia
- RoW – Rest of the World.

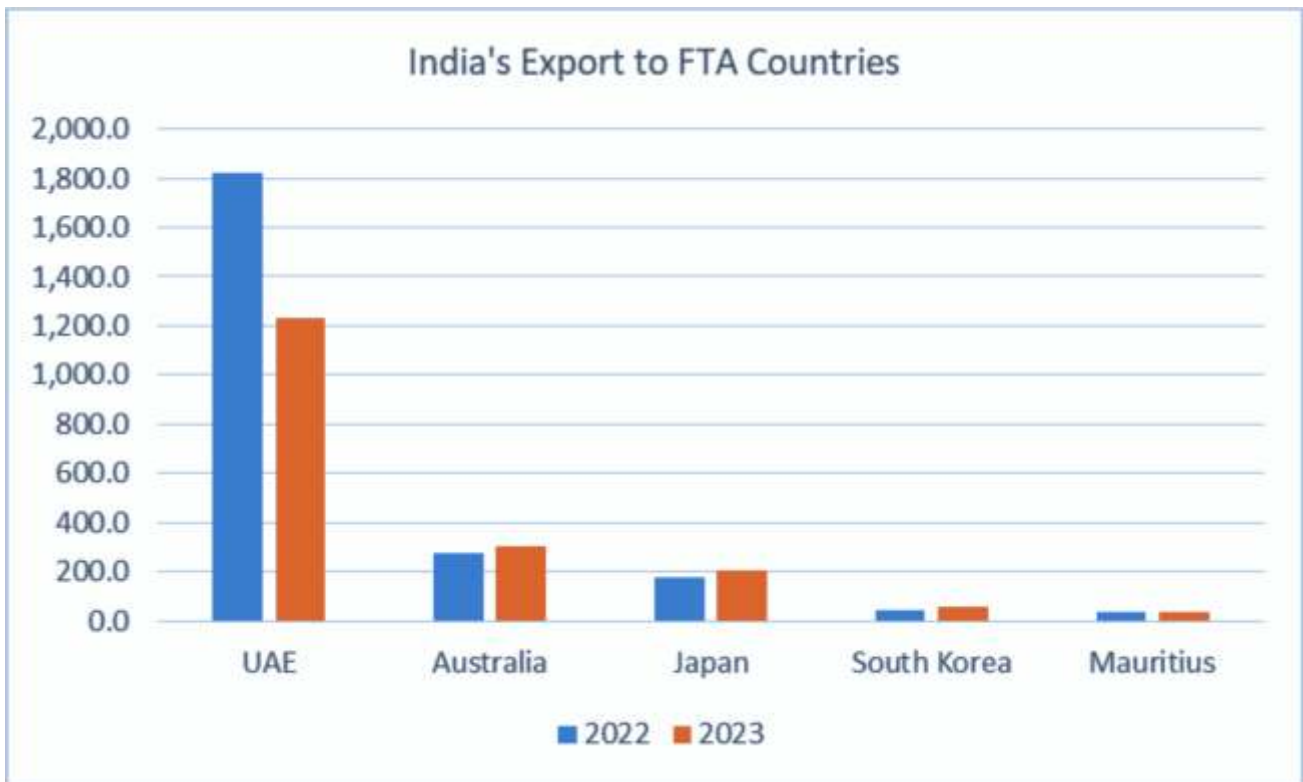
India's RMG Exports with FTA Countries in 2022-23

UAE emerged as top FTA partner country for India's RMG exports with a value of USD 1228.6 Mn., however India's export to UAE decreased by 32.7 % in 2022-23, as

compare to FY 2021-22 which was USD 1824.9 Mn. Recent FTA with Australia helped India to grow its export by 9.7% to USD 302.7 Mn., followed by Japan as 3rd largest export destinations amongst India's FTA partner countries.

Table 6: India's Export to FTA Countries				
S. No.	Countries	Value in USD mn.		
		2021-22	2022-23	% Change
	Total RMG Export	16019.7	16204.0	1.2
1	UAE	1,824.9	1,228.6	-32.7
2	Australia	276.0	302.7	9.7
3	Japan	178.1	207.3	16.4
4	South Korea	44.7	59.1	32.2
5	Mauritius	36.0	35.0	-2.9

Source: DGCI&S, 2023



Initiatives and activities undertaken by AEPC along with important issues/request addressed to Govt. of India, during the year.

The Following measures taken by AEPC along with the Government support helped in boosting the RMG exports from country;



1. Meeting jointly organised by all Textile EPCS to felicitate the finance minister

Chairman, AEPC, attended a meeting organised by the textile associations in Coimbatore on 9th May 2022 to felicitate Smt. Nirmla Sitharaman, Hon'ble Finance Minister. More than 25 textile manufacturing, exporting, powerloom, spinning mills, dying units associations and federations jointly felicitated Finance Minister on exemption of import duty on cotton. Chairman AEPC in his felicitating address applauded the unstinted support given by Hon'ble FM to the Apparel Industry. He thanked Hon'ble FM for extending the ROSCTL benefit to Apparel Industry and other policy interventions like PLI scheme ease of doing business, National Monetization Pipeline, etc.

2. AEPC participates in 67th India International Garment Fair (IIGF)

67th India International Garment Fair (IIGF) was inaugurated 20th June 2022 at IEML,



Greater Noida by Minister of Commerce &

Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal in presence of Shri Mahesh Sharma, Member of Parliament, Chairman AEPC Shri Naren Goenka, Shri Lalit Thukral, Chairman, IGFA, Shri Raj Kumar Malhotra, Chairman, EPCH, exhibitors and international buyers across the world.

3. Principal Secretary – Industries, Government of Bihar meets apparel exporters in Bengaluru

Shri Sandeep Poundrik, IAS, Principal Secretary – Industries, Government of Bihar visited Bengaluru & had an Interaction meeting with prominent AEPC members of garment trade on 22nd June, 2022 at Bengaluru to discuss about the New Bihar Industrial Investment Promotion Policy (Textiles & Leather) 2022. The Principal Secretary had presented the benefits of the recently launched new Textile and Leather Policy of Bihar including Capital Investment Subsidy, Freight Reimbursement, Employment Generation Subsidy, Power tariff Subsidy, Patent Registration and Interest Subvention, etc.

4. AEPC & FIEO jointly organised exporters meet cum felicitation function

Apparel Export Promotion Council (AEPC) and Federation of Indian Export Organisations (FIEO) have jointly organized an Exporters Meet cum Felicitation Function for Shri. Piyush Goyal, Hon'ble Union Minister for Commerce & Industry and Textiles for the achievement of US\$ 422 Bn Exports of Merchandise and signing of Historical FTAs, at Poppys Vista Hotel, Tirupur on 26th June, 2022. The Hon'ble Minister had attended and graced the function.

5. AEPC organised Investor Meet to interact with Industry Minister and Principal Secretary Industry Bihar

AEPC on 26th July, 2022 organized an

Investor Meet to interact with Sh. Syed Shahnawaz Hussain, the then Hon'ble Industry Minister, Bihar and Sh. Sandeep Poundrik, Principal Secretary Industry Department, Bihar in New Delhi. After Hyderabad, Ludhiana, Bihar Investors Meet in Delhi was also very successful. Country's Big Industrialists of Textile & Garments Exporters like Shahi Exports, Richa Global, Texport Industries, Pearl Global, Poppys participated in Meet, they praised the policy of Bihar and have shown their interest in Bihar. The big industrialists of textile and garments described the textile policy of Bihar as one of the best in the Country as compared to the policies brought by many other States. During the Meet Hon'ble Minister and Principal Secretary, Industries presented the Bihar Textile Policy 2022 and gave the detailed presentation about future plans of the industrialization in the State.

6. AEPC organized a brain storming session on 'Promoting Circularity amongst Indian Garment industry'



AEPC organized a brain storming session on “Promoting Circularity amongst Indian Garment industry” on 27th July, 2022 at Apparel House, Gurugram. AEPC has partnered with Fashion for Goods, Netherlands, for this initiative. Shri. U. P. Singh, the then Secretary, Textiles made a special address during the session. The prominent industry leaders of garment

trade and other stakeholders engaged in the garment value chain including Brand Partners (PVH, Adidas, LS &Co, TESCO, Target, Primark), Supply Chain Partners: Arvind, Birla Cellulose and Welspun India), Pre-consumer pilot stakeholders: 20 manufacturers, Technology Innovators: Reverse Resources, Matoha, Picvisa, etc were present in the meeting. This initiative would assist the Indian garment manufacturers to achieve their circularity goals by addressing problem areas including agricultural waste to textile, Chemical recycling of textile, Textile waste, Alternate leather, regenerative agriculture, Wastewater, Plastic recycling and Traceability in the textile supply chain.

7. AEPC and MSME signed a MOU under the Sub-Component II for Capacity Building of first-time MSE Exporters (CBFTE)

Ministry of Micro, Small and Medium Enterprises (MSME) and Apparel Export Promotion Council (AEPC) signed a MoU on 20th September, 2022. AEPC is one of the implementing agency for the Sub-Component II of Capacity Building of first-time MSE Exporters (CBFTE) under the International Cooperation Scheme of the Ministry of MSME i.e Reimbursement of Registration-cum-Membership Certificate (RCMC) charges/fee paid by the first time exporter to related EPCs. Joint Secretary MSME and Secretary General AEPC signed this MoU.

8. Exporters' meet & award function

On the occasion of the 48th India International Knitwear Exhibition, AEPC & IKFA have organized an Exporters' Meet & Award Function for honouring the Sourcing Consultants for their remarkable contribution to the industry and the Best Exhibitors of the Exhibition at Hotel Poppys Vista, Tirupur on 12th October, 2022. Shri.

K. M. Subramaniam, EC Member AEPC & President TEA has welcomed all the dignitaries, guests, Award recipients etc.

9. AEPC & India Knit Fair Association (IKFA) jointly organised 48th India International knit fair.



AEPC and India Knit Fair Association (IKFA) have jointly organised the 48th India International Knit Fair at Tirupur from 12th October to 14th October, 2022 to promote all types of Apparel Exports from Tirupur. The participants (Exporter cum Manufacturers) were from Tirupur, Chennai, Erode, Salem, Karur etc., have put up stalls and showcased their latest collection of garments. The 48th IIFK was inaugurated by Shri. M. P. Saminathan, Hon'ble Minister for Information & Publicity, Govt. of Tamilnadu in the presence of Dr. A.Sakthivel, Chairman (IKFA) & President (FIEO), Shri. K. M. Subramaniam, President (TEA), Shri. V.Elangovan, President (ABAT), Shri. Ajay Agarwal, President (AHEA), AEPC EC Members, Mr. Sanjiv Jain, Ms. Rohini Suri from BAA and Mr.Rohit Aneya from NIFTA, trade personalities, Buyers, Buying Agents, Prominent members of the Associations, Leading Exporters, participants and other dignitaries.

10. US Department of Labor visited AEPC, Head Office in Gurugram

A delegation of U.S. Department of Labor visited AEPC and interacts with Industry



leaders on 1st November 2022 at Apparel House, Gurugram. The US delegation consisted of Ms. Nadia Al-Dayel, Division Chief, Research and Policy Unit, U.S. Department of Labor, Ms. Rachel Raba, Senior Policy Coordinator, U.S. Department of Labor, Ms. Sadikshya Nepal, International Relations Specialist, U.S. Department of Labor, Mr. Gary Applegarth, First Secretary, U.S. Embassy, New Delhi and Mr. A. Sukesh, Senior Advisor (Labor & Political), U.S. Embassy, New Delhi.

11. AEPC launched Apparel Industry Sustainability Action at Apparel House, Gurugram



AEPC launched Apparel Industry Sustainability Action (AISA) 2022-23 on 2nd November, 2022 at Apparel House, Gurugram. The initiative aims at evaluating the existing status of Indian garment industry, encourage wider penetration of these measures amongst the MSMEs, hand holding these units with demonstrations and solutions, enhance the

brand visibility of sustainable companies on global platform and brainstorm necessary policy focus towards wider and smooth adoption of sustainability measures amongst Indian garment units at large. Speaking on the launch Sh. Naren Goenka, Chairman AEPC said, “As we all know the global garment production is forecasted to increase by 63% by 2030. This spectacular growth brings with it an ever-growing global concern on the detrimental impact that this fashion industry brings as it is one of the most resource intensive industries. Also, considering the growing consumer awareness on sustainability and the gaps in the global markets, it is a dire need for the Indian Apparel industry to dig deeper into the subject.” AEPC also released a compendium during the conclave. Companies included in the Sustainability Compendium will be showcased on the dedicated Sustainability Social Media Platform for wide publicity and will finally culminate as Sustainability Awards.

12. Three-member delegation of the US department of labour visited Tirupur

A three member delegation of the U.S. Department of labor led by Ms. Nadia Al-Dayel, Division Chief, Research & Policy Unit, Ms. Rachel Rana, Senior Policy Coordinator, Ms. Sadikshya Nepal, International Relations Specialist along with Mr. Gary Applegarth, First Secretary and Mr. A. Sukesh, Senior Advisor (Labor & Political) from US Embassy, New Delhi had visited Tirupur on 2nd November, 2022 and met with AEPC & TEA office bearers to understand the efforts taken by the industry to tackle the problem of child labor in the Apparel industry. The meeting was presided over by Dr. A. Sakthivel, Southern Incharge AEPC & Hon. President-TEA.

13. AEPC participates in Hohenstein global sustainability conference

Hohenstein organised the Global Sustainability Conference on 10th November 2022 in Gurugram. Shri Sudhir Sekhri, Vice Chairman, Apparel Export Promotion Council delivered the keynote address during the conference in presence of the dignitaries which included; Prof. Dr. Stefan Mecheels, President Hohenstein, Dr. Christof Madinger, COO Hohenstein, Jonathan Wehrli, OEKO-TEX® Association, CH and industry people. The company Hohenstein has specialised for over 75 years in the testing, certification and research of all kinds of textile products. As an internationally recognised and reliable partner, the company support companies along the entire supply chain in successfully bringing their products to the market - through new insights from its research, to the performance of required tests and issuing of independent certificates, through to product launch and marketing at the point of sale.

14. Secretary (Textiles) chairs meeting on proposed PLI-2 on 21.11.22.

Smt. Rachna Shah, Secretary (Textiles) chaired a hybrid stakeholder meeting for consultation on proposed PLI-2 on 21st November, 2022 at New Delhi. Meeting was attended by Smt. Shubhra, Trade Advisor (Textiles) and other senior officers of Ministry of Textiles. Sh. Naren Goenka, Chairman AEPC and Sh. Sudhir Sekhri, Vice Chairman AEPC attended the meeting virtually, whereas Secretary General AEPC attended the meeting in-person. Chairman AEPC said that for all the slabs of investments the turnover required may be prescribed as three times of the investment. This will provide uniformity of incentives for different categories of

investors. Secretary (Textiles) desired that the suggestions should be given in writing for consideration for PLI 2.0 scheme.

15. Chairman AEPC attended meeting with Secretary (Textiles) and Secretary Commerce.

Sh. Naren Goenka, Chairman AEPC along with Sh. Sudhir Sekhri, Vice Chairman AEPC and SG-AEPC attended a meeting with Smt. Rachna Shah, Secretary (Textiles) on 28th November, 2022 in New Delhi. During the meeting Chairman AEPC made certain suggestions for bringing enhancement in capacity, increase apparel export and employment. These are given as follows:-

Sh. Sunil Barthwal, Secretary (Commerce) chaired a meeting with EPC's on 24th November, 2022. During the meeting Sh. Sudhir Sekhri, Vice Chairman AEPC highlighted the major issues related to RMG sector and a detailed presentation was given by Secretary General AEPC. Commerce Secretary desired that top 10 major issues of the apparel sector to be submitted by AEPC, which will be monitored on regular basis by Department of Commerce.

- ◆ Request to include 10 high potential MMF garment products and cotton apparel products under the Production Linked Incentive Scheme (PLI) and reduce the value addition criteria.
- ◆ Early announcement of the PLI – 2.0 Scheme
- ◆ Extension of ATUFS
- ◆ RoSCTL disbursements through bank transfer
- ◆ Reimbursement of expenses incurred by the AEPC for carrying out Residuary Quota Works during the financial years 2015-16 to 2020-21

- ◆ Timely approval and release of MAI grant
- ◆ Raw material security: Immediate need to regulate the exports of cotton and cotton yarn Regulate the import of cotton yarn from China and Vietnam.

16. Exporters meet with Chairman, AEPC at Tirupur

On 12th December, 2022, AEPC organised an Exporters' Meet at Tirupur. Dr.A.Sakthivel, Southern In charge - AEPC presided over the meeting and welcomed the gathering. Shri Naren Goenka, Chairman AEPC, Shri Sudhir Sekhri, Vice Chairman, AEPC, Shri K.M.Subramanian, EC Member AEPC & President TEA, SG-AEPC and all the Executive Committee members of AEPC & TEA and all other participants of the meeting. Shri Naren Goenka, Chairman AEPC in his presidential speech said that this year the cotton crop production is sufficient with high yield. He also said we have a good spinning capacity and considering all these factors, the raw material cost will definitely be under control. Even earlier and now also we request only for little regulation in cotton and cotton yarn exports. Interactive meeting with Shri Rohit Kansal, Additional Secretary, MOT, Smt. Prajakta Verma, Joint Secretary, MOT, at Tirupur.

17. On 29th December, 2022, AEPC & TEA organized an interactive meeting with Shri. Rohit Kansal, Additional Secretary, MOT, Smt. Prajakta L Verma, Joint Secretary, MOT, GOI and other senior officials from MOT held at Netaji Apparel Park, Tirupur under the presidentship of Dr. A. Sakthivel, Incharge (Southern Region), AEPC alongwith Mr. K. M. Subramaniam, EC Member AEPC & President TEA and other office bearers and committee members of AEPC & TEA. Leading stake holders in the textile industry also attended.

18. AEPC and OGTC organizes outreach programme to facilitate implementation of India-Australia Economic Cooperation and Trade Agreement with the support of Department of Commerce



In order to encourage Apparel exporters to take advantage of India-Australia ECTA, Department of Commerce organized an outreach program in collaboration with AEPC on 26.12.2022 at Apparel House, Gurugram on India-Australia ECTA. This was the first outreach program of DoC on India-Australia ECTA. The outreach program was attended by prominent apparel exporters. Ms. Parul Singh, Deputy Secretary, DoC made a presentation on India-Australia ECTA. She mentioned in her presentation that the deal will benefit labour intensive sector of India like apparel and textiles which are subjected to 4.8% import duty by Australia.

19. The Global Investors Meet 2022 held at Bengaluru from 2nd to 4th Nov 2022- A pavilion to showcase the strengths and need of this sector for social and economic development of Karnataka was put up in association with Dept of Handloom & Textiles, AEPC & CMAI. In GIM, a separate session on Textiles & Apparel Sector was organized we have generated participation around 100 where the department signed MoU's worth 4200

Crores creating employment opportunities for more than 45000 people in the state.

20. The MP Global Investors Summit 2023, the flagship investment promotion event of Government of Madhya Pradesh was held on 11th and 12th January 2023 at Brilliant Convention Centre, Indore. As a run-up to GIS 2023, the Government of Madhya Pradesh had organized a 'CEO Roundtable Meeting with Shri Shivraj Singh Chouhan, Hon'ble Chief Minister, Madhya Pradesh' with a special focus on 'Investment Opportunities in Textile & Garment Manufacturing in Madhya Pradesh' on 23rd & 24th November 2022 at Hotel Taj Yeshwantpur, Bengaluru. Shri.Naren Goenka, Chairman, AEPC along with the other AEPC members attended the meeting & the Chairman, AEPC had interaction with the Chief Minister about the Policy & special packages for Garment Sector at Madhya Pradesh.

21. AEPC gets award for valued business partner by port authority



On the eve of celebration of 74th Republic Day on 26th January, 2023 V.O.Chidambaranar Port Authority, Tuticorin presented an award to the Council under the category of "Valued Business Partner" at the 2021-2022 Excellence in Transport Performance Awards Ceremony. Shri.T.K. Ramachandran, I.A.S., Chairman, VOC Port Authority has presented the award and our Senior

Member Exporter has been received on behalf of the Council.

22. 68th INDIA INTERNATIONAL GARMENT FAIR INAUGURATED AT EXPO MART GREATER NOIDA



The 68th India International Garment Fair (IIGF), was inaugurated by Minister of State for Textiles Smt. Darshana Jardosh along with Chairman AEPC Shri Naren Goenka, Vice Chairman AEPC Shri Sudhir Sekhri, Shri Lalit Thukral, Chairman, International Garment Fair Association (IGFA), other EC members of AEPC in presence of international buyers and exhibitors at India Expo Mart, Greater Noida on 7th February 2023. India International Garment Fair is a Buyer-Seller platform to meet the sourcing requirements of Apparel and Fashion Accessories. IGFA organizes two events every year in the month of January and June-July in India – in January for the Autumn/Winter Season and in June-July for Spring/Summer Season. In a move to broaden the participation of exporters of garments, other than women's apparel, the 68th IIGF which began in Greater Noida, has focused on menswear, kidswear and knitwear for the first time this year.

23. Trade advisor, Ministry of Textiles attends exporters Meet at Mumbai



The Apparel Export Promotion Council & the Cotton Textile Export Promotion Council had jointly organized an Exporters' Meet, with the Ms. Shubhra - Trade Advisor– Ministry of Textile, Government of India on 18th February, 2023 at Mumbai. The purpose of the meeting was to interact and also to make exporters aware about the various government initiatives and policy decisions which is related to textiles industries. The meeting was attended by Shri Naren Goenka, Chairman AEPC along with the AEPC committee members from Western Region and the prominent member exporters from AEPC and Texprocil.

24. AEPC attended the export performance review meeting Chaired by Textiles Minister And Secretary Textiles



Apparel Export Promotion Council attended the meeting held on 7th March 2023 Chaired by the Textiles Minister Shri

Piyush Goyal and another meeting on the 16th March 2023 Chaired by Secretary Textiles, Smt Rachna Shah. AEPC was represented by Shri Naren Goenka, Chairman AEPC and Shri Sudhir Sekhri, Vice Chairman AEPC who briefed the Minister and Secretary of the Apparel Export Performance, its outlook for the current year and challenges. AEPC also briefed the Minister and the Secretary on the reason for low performance and suggested interventions during the meeting. The AEPC team also spoke on the initiatives taken by AEPC for export promotion.

25. Felicitations cum Interactive meeting with Chairman cum Managing Director-ECGC.



On 20th March, 2023, Felicitations cum Interactive meeting was organized jointly by AEPC, FIEO & TEA with Shri M. Senthilnathan, CMD-ECGC at Hotel Poppys Vista, Tirupur to discuss the current trade risk scenario. Dr. A Sakthivel, President-FIEO & Incharge (SR) AEPC, Shri K.M. Subramanian, President-TEA, our EC Members Mr. V Elangovan, Mr. R. Ramu, Mr. Thirukumaran and also TEA, FIEO EC Members / office bearers and leading exporters attended the meeting. Dr A. Sakthivel welcomed the dignitaries and the gathering.

26. PM MITRA PARKS FOR TEXTILE INDUSTRY LAUNCHED IN TAMIL NADU

India's first PM Mega Integrated Textile Regions and Apparel (PM MITRA) Parks

for the textile industry at E. Kumaralingapuram in Tamil Nadu's Virudhunagar district was launched on 22nd March, 2023. Tamil Nadu Chief Minister M K Stalin and Union Textiles Minister Piyush Goyal jointly launched the park with an MoU signed between the State and the Centre. Shri Piyush Goyal, Union Minister for Commerce and Industry, Textiles and Shri MK Stalin, Tamil Nadu Chief Minister at the launch of India's first PM Mitra Park at Virudhunagar District in TN, at Chennai on March 22, 2023. AEPC participated during the launch, this meeting was attended by Mr. Ajay Agarwal & Mr. Anurag Goenka from Chennai Region.

27. 49th IIKF

The 49th edition of India International Knit Fair for Autumn / Winter collection has been successfully organized by India Knit Fair Association under the umbrella of Apparel Export Promotion Council (Sponsored by Ministry of Textiles, Govt of India) at IKFA Complex, Tirupur from 22nd to 24th March 2023. This fair has also been supported by TEA, AHEA, HEPC, KTMEA along with our Sourcing partners of BAA, ABAT, BSL NIFTA. The theme of the fair was Sustainability practices and Explore MMF Potential which was felt by everyone and thus Tirupur is geared up".

28. AEPC in collaboration with DGFT organized Capacity Building Programme for Noida Apparel Cluster



AEPC in collaboration with DGFT and support of Noida Apparel Export Cluster (NAEC) organized a capacity building programme, under MAI Scheme and Niryat Bandhu, with the objective of promoting Noida as an Apparel Export Hub. The meeting was organized in Noida, where Shri Gangadhar Panda, Additional DGFT, Shri Mithileshwar Thakur, Secretary General, AEPC and Shri Lalit Thukral, President, Noida Apparel Export Cluster (NAEC) addressed the members of trade and industry. Large number of garment exporters were present in the meeting. The meeting also witnessed presentations from institutions/ bodies like- IDH Netherlands, Reverse Resources, ENEN Green, Only good, etc. on sustainability. They all emphasized that sustainability was no longer a matter of choice but the need of the hour for this sector. DGFT officials in their presentation elaborated on the government schemes and support measures.

29. AEPC team meets International Accord Foundation for developing a safe and sustainable ecosystem for Apparel Industry.

AEPC team led by Mr. Sudhir Sekhri, Vice Chairman, AEPC, Mr. Vijay Jindal, Executive Committee Member-AEPC along with Secretary General, AEPC and Deputy Secretary General, AEPC met Mr. Joris Oldenzien, Executive Director, International Accord Foundation, Amsterdam, The Netherlands at Apparel House, Gurugram. The International Accord for Health and Safety in the Textile Sector has taken up the initiative to ensure the safety of garment workers within the brands supply chain and is working towards developing a safe and sustainable textile and garment industry. International Accord provides for fire, electrical, and structural inspections.

30. The GAP INC team visited the Apparel Export Promotion Council

The GAP Inc team visited the Apparel Export Promotion and met Shri H.K.L Magu, EC Member and Secretary General AEPC. Shri Magu briefed the GAP team about the potential of garment exports in B2B and B2C segments. SG-AEPC briefed the visiting GAP team about AEPC and various activities which the Council understates for boosting exports. Mr. Gaurav Shah, Head of Strategy, Hong Kong and Deepak Kini, Senior Director Finance from GAP Inc. visited AEPC. The GAP team discussed with AEPC the future B2B business plan along with the future sourcing strategy in India including expansion plan. The team informed AEPC that they are currently sourcing close to 140 million USD worth of Apparel and Fabrics as on date from India this year this will be increased to 150 million USD. GAP is a portfolio of purpose-led, billion-dollar lifestyle brands including Old Navy, Gap, Banana Republic, and Athleta, and the largest specialty apparel company in the U.S.

31. Emergency Credit Line Guarantee Scheme (ECLGS)

The Emergency Credit Line Guarantee Scheme (ECLGS) has been formulated by the Government of India as a specific response to the unprecedented situation caused by COVID-19 and the consequent lockdown, which has severely impacted manufacturing and other activities in the MSME sector.

32. Extension of ECLGS up to March 2023

Guarantee cover expansion by Rs.50,000 Cr. to 5,00,000 Cr. Rs.2.00 Lakh Cr. Additional Credit for MSME under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE)

33. ECGC Claims

AEPC has actively taken up the issues of pending ECGC claims with ECGC and requested to expedite ECGC Claims of Apparel Exporters, especially on account of bankruptcy cases. ECGC reiterated that the garment exports being a critical sector to India's Exports, form a significant part of ECGC's insurance cover. They have assured that they shall continue all their endeavors towards settlement of claims.

34. Extension of Interest Equalization Scheme

AEPC had requested the Govt. of India for extending the Interest Equalisation Scheme. Reserve Bank of India (RBI) vide its Notification dated March 8th, 2022 has extended the Interest Equalisation Scheme for pre and post shipment Rupee credit up to March 31, 2024 or till further review, whichever is earlier. The extension has been effective from October 1, 2021 and ends on March 31, 2024. Further, DGFT vide its Trade Notice dated 15.03.2022 has informed about operationalizing a new online module for filing of electronic registration for Interest Equalisation Scheme w.e.f. 01.04.2022.

35. Extension of RoSCTL

After the introduction of GST in 2017, the RoSL (Rebate of State Levies) scheme was replaced by a new scheme – Rebate of State and Central Taxes Levies (RoSCTL) in March 2019. The government has granted the extension of the scheme for Rebate of State and Central Taxes and Levies (RoSCTL) till 31st March, 2024 for export of apparel, garments and made-ups with the same rates.

36. Extension of Foreign Trade Policy, (2015-20)

The Government of India, Ministry of Commerce & Industry, Department of

Commerce, DGFT, New Delhi vide Public Notice No. 26/2015-20 dated 29th September, 2022 has informed that the Hand Book of Procedures (HBP), 2015-2020 which is valid upto 30th September, 2022 is further extended up to 31st March, 2023.

37. Booklet on entrepreneurship scheme in textiles and garment sector for International Labour Organization (ILO)

The Council has prepared Booklet on entrepreneurship scheme and facilities to start business in textiles and garment sector in Andhra Pradesh and Odisha. This is towards International Labour Organization (ILO) project on "Promoting Sustainable Enterprise in India (PSEI) in the State of Odisha and Andhra Pradesh with focus on Textile and Garments. The final version of proof-read print-ready supplementary book along with annexures and PowerPoint with session plan has been submitted to ILO. The project aims to equip and build entrepreneurial skills of youths, especially among women to start new business in the sector and integrate them in the global supply chain through.

38. AEPC Facilitation for Risky Exporters

AEPC has been constantly following up with DGARM to remove the Risky exporters tag from our members. AEPC has been receiving regular updates on the Risky Exporter cases. Dedicated facilitation desk at Head Office & Regional Offices of AEPC have been able to fast track the clearance of Risky Exporters. In pursuance to regular follow-ups most of the cases referred to the DGARM has been resolved.

39. Export Facilitation Desk

AEPC launched an "Export Facilitation Desk in AEPC" for its members. The Help

Desk deals-with the concerns of the trade on the various issues such as ROSCTL, RoDTEP, EGM Error, Drawback, ECGC Issues, Banking Issues, Membership, Import of Trims & Embellishments, TUFS Related Issues, GST Related Issues and issues related to the ICEGATE with regard to procedural changes in the IGCR Rules 2017, etc.

40. Duty free import of Tags, Labels, etc.

AEPC had made a number of representations. Chairman, AEPC had a meeting with Chairman, CBIC on 14.01.2022. The Department of Revenue, Ministry of Finance vide its Notification No. 02/2022- dated 01.02.2022 has allowed import of Trimmings and Embellishments and has carried out changes in facility of import of Tags, labels, stickers, belts, buttons, hangers or printed bags and import of lining and interlining material. One of the important changes is that these items are allowed to be imported under Serial No 257 / 257B of Custom Notification No 02/2022 dated 1.2.2022, without any duty and without any limit.

41. Vision 2047 for Textiles & Apparel Sector

Government of India is to frame National Vision for 2047. In this regard, Ministry has sought inputs from AEPC for Vision 2047 for Textiles & Apparel Sector. AEPC has submitted following details for Vision 2047:-

Export Vision, in value and volume terms, for Apparel by 2047.

Export target both in value and volume terms to be achieved by 2030 and detailed plan based on the projections.

Some of the suggestions for enhancing the exports made in the document are:

- ◆ Competitive, Scale: Developing our

Companies, both public and private as global leaders

- ◆ Promoting FDI
- ◆ Wider coverage of PLI kind production linked schemes to encourage scalability
- ◆ Strengthening of ATUFS
- ◆ Ensure stable price and availability of cotton and cotton yarn
- ◆ Extension of Interest Equalisation Scheme
- ◆ Enhanced and regular engagements with Trade Facilitating Agencies like EXIM Bank, ECGC etc.
- ◆ Infrastructure for Common Facility Centre in Apparel Clusters
- ◆ Strengthening digital marketing platforms as an important export promotion tool
- ◆ Ensuring skilled labor availability in newer and remote areas (source dossier)

42. 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 reach far and wide, without adverse environmental footprints. Only few copies are printed for meeting certain compliances.

43. AEPC submits Dossier on Removal of Indian products from TVPRA list

Department of Commerce, Govt. of India requested AEPC to share the dossiers to EoI, Washington DC under intimation to the department for submission to USDOL.

The AEPC recognizes the importance of the Trafficking Victims Protection Reauthorization Act of 2005 (TVPRA). AEPC also recognizes that forced labour/child labour should not be part of textile value chain or apparel sector in any

form in any country. The AEPC has proactively taken several initiatives over the years to demonstrate the council's intent and initiatives towards ensuring that the garment export sector of India does not have any child labour/forced labour.

Later in November a Delegation of U.S. Department of Labor visited AEPC at Apparel House, Gurgaon. The objective of the meeting was to discuss the efforts taken by AEPC and Apparel industry to tackle the issue of child labour in the apparel sector. Chairman AEPC briefed the various initiatives taken by the Council and apparel industry to remove the child labour from India. He also briefed that AEPC constantly requests its members to be careful regarding their compliances and evaluate it from time to time.

A Presentation on AEPC's efforts to tackle the problem of child labour in the apparel sector was given by, Secretary General, AEPC. In his presentation he briefed that AEPC had also issued an advisory to all of its members on the legal requirements on Child Labour Prohibition in the factories, as also ways to ensure that there is no child labour in the apparel units. The delegation has assured all cooperation and their intention was not to put India in the list, they informed.

44. Chairman AEPC requested Commerce Minister's intervention on issue of Cotton Shortage Globally

Sh. Naren Goenka, Chairman AEPC vide letter dated 5th September, 2022 had requested Sh. Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution for his intervention on issue of anticipated cotton shortage globally.

45. Chairman AEPC requested Hon'ble CM of Gujarat for Revising and Extending Gujarat Garment & Apparel

Policy

Sh. Naren Goenka, Chairman AEPC vide letter dated 9th September, 2022 has requested Sh. Bhupendra Rajnikant Patel, Hon'ble Chief Minister of Gujarat for revising and extending Gujarat Garment & Apparel Policy. Chairman AEPC also raised some issue of concern for the apparel sector in Gujarat and requested for consideration of the same. The similar request was also sent to Sh. Eknath Sambhaji Shinde, Hon'ble Chief Minister of Maharashtra for revised State Textile Policy and bringing an attractive apparel sector specific policy.

46. Chairman AEPC requested Hon'ble CM of Maharashtra for Revise State Textile Policy and Bringing an Attractive Apparel Sector Specific Policy

Sh. Naren Goenka, Chairman AEPC vide letter dated 9th September, 2022 has requested Sh. Eknath Sambhaji Shinde, Hon'ble Chief Minister of Maharashtra for revised State Textile Policy and bringing an attractive apparel sector specific policy. Chairman AEPC has also forwarded a copy of the Apparel sector policies of State Government of Karnataka, Bihar and Madhya Pradesh to Hon'ble CM of Maharashtra.

47. Chairman AEPC writes to DGFT regarding the meeting of the Board of Trade (BoT)

Sh. Naren Goenka, Chairman AEPC has written a letter to Shri Santosh Sarangi, Directorate General of Foreign Trade regarding the Board of Trade (BoT) meeting to be chaired by Sh. Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution on 13.09.2022 highlighting some serious concerns and issues of the apparel sector.

48. Extending date of uploading of e-BRC to 30.09.2022, for shipping bills, on which RoSCTL scrip has been availed from DGFT Ras

AEPC had received numbers of representations from its members for extension of the date of uploading of e-BRC on DGFT server for another period of 45 days up to 31st August, 2022 since many exporters were not able to get all e-BRCs issued and uploaded on DGFT portal because of issues with the AD banks. AEPC had requested the DGFT in this context.

DGFT has accepted AEPC's request and issued a Trade Notice, wherein the last date for uploading of all such e-BRCs, where RoSCTL scrips have been issue for shipping bills has been further extended till 30th September, 2022.

49. Removing certain provisions which were making transferee liable in case of non-realization of export proceeds

AEPC had organized a Pan India webinar along-with DGTS, Department of Revenue, Ministry of Finance; DG Systems, DoR; Drawback Cell, DoR on the subject of RoSCTL. During the webinar members suggested to remove the transferee clause mentioned in the notification.

AEPC had taken-up this issue repeatedly with the Ministry of Finance, Ministry of Textiles, Ministry of Commerce and Industry and DGFT. Chairman AEPC had taken-up this matter repeatedly through personal meetings as well as through representations to Hon'ble Union Minister for Finance; Hon'ble Union Minister for Commerce & Industry and Textiles, Secretary (Expenditure), Secretary (Textiles), Secretary (Commerce), Chairman, CBIC Member (Customs), DGFT, Trade Advisor (Ministry of Textiles) and other senior officers.

The request of AEPC has been accepted and DoR has issued Notification No. 76/2022-Customs dated 14.09.2022 carrying out various changes in the Notification where in the responsibility of transferee in case of non-realization of export proceeds has been removed.

50. The use and validity as well as transfer of duty credit in e-scrip has been extended from one year period to two years

AEPC had taken-up the issue of extending the validity of e-scrip from one year to two years. DoR has issued Notification No. 79/2022-Customs dated 15th September, 2022 carrying out various changes in the notification wherein the use and validity of e-scrip as well as transfer of duty credit in e-scrip has been extended from one year to two years.

The Government of India's RoSCTL Scheme has benefitted the Apparel and Made-up Sector. For ensuring continuity, the Government had provided the benefit of the Scheme till March, 2024. On 23rd September, 2021, DoR had issued Notification No. 75/2021 regarding making the Electronic Duty Credit Ledge Regulations 2021 regarding regulations for use, transfer, maintenance for the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) or the Scheme for Rebate of State and Central Taxes and Levies (RoSCTL).

51. Chairman AEPC requested Secretary (Textiles) and Secretary Commerce for extension of ATUFS

Sh. Naren Goenka, Chairman AEPC vide his letter has requested Sh. Upendra Prasad Singh, Secretary (Textiles) for extension of Amended Technology Up gradation Fund Scheme (ATUFS).

The Ministry of Textiles had prepared a draft scheme, namely Textiles Technology

and Development Scheme (TTDS). The Council has already submitted its suggestions for TTDS vide letter dated 25.01.2022. The Council has also submitted its feedback on the draft concept note of scheme on PLI pattern to replace ATUFS on 18.08.2022.

52. Chairman AEPC writes to Ministry of Textiles with comments on the PLI 2.0 Scheme for the Textile Sector

Sh. Naren Goenka, Chairman AEPC vide his letter has sent AEPC's Comments on the PLI 2.0 Scheme for the Textile Sector to Ministry of Textiles

Chairman AEPC in his letter has added another value-added suggestion apart from the suggestions submitted earlier vide letter requesting to mention, participating company or unit of a company will have to undertake minimum value addition of 40% in their own factory premises in the country.

Chairman AEPC once again requested to reiterate his earlier submission that in paragraph 3.3, conditions, sub-point (e), prescribing "Selected participants under earlier PLI scheme for Textiles are not allowed to participate in this PLI" should be deleted. Hence, those exporters, who have made the application under the earlier PLI Scheme, should also be allowed to participate in the PLI 2.0 Scheme.

53. Commerce Minister interacted with Export Promotion Councils to review export performance

Sh. Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution chaired an interactive meeting on 07.10.2022 in New Delhi to review export performance.

Chairman AEPC also raised the issue of raw material prices. For traditional exports of cotton based RMG, the orders for the

month of September are normally placed during month of April to May. Since the raw material prices were historically high during these months this year our exports for Sep month was impacted.

Chairman AEPC requested Government intervention on regulating export of raw cotton/cotton yarn appropriately and thereby ensuring continuous availability of raw material at the competitive price, Industry will be able to achieve the export target of US\$ 17.6 billion for the year 2022-23.

54. Pre-Budget Proposal 2022-23

Department of Commerce has sought Pre-Budget proposals from all Councils for 2023-24. Accordingly, AEPC has sought suggestions/ feedback from members and based on the feedback of members, Council has submitted the pre-budget proposals for 2023-24 to the Department of Commerce.

55. Chairman AEPC requested Hon'ble Commerce Minister for Intervention on Import of Cotton Yarn from China and Vietnam

Sh. Naren Goenka, Chairman AEPC vide letter has requested Sh. Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution for intervention on import of cotton yarn from China and Vietnam due to issue of Chinese cotton traceability by US authority.

56. Minister of Textiles interacted with stakeholders of MMF value chain including manufacturers of PTA/MEG

An interaction meeting was held with the stakeholders of MMF value chain including manufacturers of PTA/MEG on 27.10.2022 at New Delhi. The meeting was chaired by Sh. Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles,

Consumer Affairs, Food & Public Distribution.

Sh. Sudhir Sekhri, Vice Chairman AEPC represented the industry and highlighted major MMF product export from India and their market share. Vice Chairman also highlighted AEPC's efforts for MMF segment and requested for Production Linked Incentive Scheme (PLI-2).

57. Clarification from DGFT and Drawback Deptt on issue of Non-realization of export proceeds on account of Bankruptcy/Insolvency /discounting/cancellation

AEPC has been continuously following up on possible relief measures on the issue of non-realization of export proceeds due to overseas buyers' Bankruptcy/Insolvency/discounting/cancellation of export orders. The Council had represented the issue before the Hon'ble Commerce and Industry Minister and concerned authorities namely DGFT & JS (DBK) seeking relaxation in Policy for exemption from refunds of ROSCTL/Drawback and consideration of fulfillment of EO for Advance Authorizations, SAA, EPCG licenses in respect of these cases.

In response, the Council had received clarification from DGFT on the provisions, policy and procedures on relaxation of export obligation. The same along with provisions for Drawback department on issue of Non-realization of export proceeds on account of Bankruptcy /Insolvency/discounting/cancellation of export orders shared with the trade.

58. Clarification sought on Import of Goods at Concessional Rate of Duty (IGCR) rules

AEPC received a large number of requests from its members related to the issues of IGCR rules. Accordingly, AEPC organised

a pan-India webinar on 'Recent changes in Customs (Import of Goods at Concessional Rate of Duty) Rules 2017 (IGCR Rules, 2017). AEPC also requested to the DoR via its letter dated 24th March 2022 suggesting that the time limit of utilization of imported goods for export within a period of six months, should be extended.

The request of AEPC has been accepted and now provision has been made for extending the time period of the present six months by another 3 months. Accordingly, DoR has revised IGCR rules dated 09.09.2022, superseding the existing Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. These rules have come into effect from 10th September, 2022.

59. Steps for stability in cotton & cotton yarn prices

The Council took up the issues of the continuous rise in cotton & cotton yarn prices at various forums, explaining the various issues and trends related to the cotton price movement and the industry's concern about the erosion in cost competitiveness, because of this and submitted its suggestion to bring stability in the yarn prices.

As a result, the government intervened by temporarily withdrawing the 10 per cent import duty on cotton from April 14 to September 30, 2022, to boost supply from Australia, the US and Africa, and ease yarn prices until the next cotton harvest in October.

AEPC has been raising this issue and have been seeking for the calibration of exports of cotton & cotton yarn to arrest the rising prices. India is already losing out to its competitors in Bangladesh, due to their FTA and GSP benefit in most of the prominent export markets. With current textiles exports of USD 44 billion the

garment for India stood at USD 16 billion, Bangladesh is already 2.9 times ahead of India in garment exports.

Further, Sh. Naren Goenka, Chairman, AEPC attended a meeting chaired by Shri Piyush Goyal, Hon'ble Minister of Commerce, Industry and Textiles on 17.05.2022 at New Delhi with all stakeholders in the cotton textile value chain to discuss the issue of high raw material prices. During the meeting, Chairman, AEPC raised the issue of increased yarn prices and due to that industry is facing resistance from customers. He also made Hon'ble Minister aware of the importance of value addition and employment potential. Commerce Minister urged the textile industry to reduce cotton and yarn exports down to 25% of the last year and announced that the import of Cotton will be allowed duty free in respect of import of cotton where bill of lading date is 30th September, 2022.

Commerce Minister gave a clear and loud message to all stakeholders to resolve cotton and yarn price issue, in the spirit of collaboration rather than competition and super profiteering, without pushing government to intervene as it may have long term impact on cotton value chain and also appealed to the spinning and trading community to ensure hassle free supply of cotton and yarn first to the domestic industry and only surplus cotton and yarn should be diverted for exports. Hon'ble Minister also announced setting-up of Cotton Council of India.

The first meeting of the council was held on 29th May 2022 at Mumbai and Shri Piyush Goyal, Hon'ble Minister of Commerce, Industry and Textiles announced the formation of Textile Advisory Group. Sh. Naren Goenka, Chairman, AEPC also attended that meeting with the newly constituted Textile Advisory Group to

address issues relating to augmenting present supplies of cotton and also strengthening productivity.

The second meeting of Textile Advisory Group was held on 14.07.2022 and Shri. Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs, Food & Public Distribution reviewed the progress of work. Hon'ble Minister emphasized that supply of good quality cotton seeds is the vital necessity for improving productivity of cotton. He also emphasized the need to introduce advanced technologies related to high yielding cotton seeds and innovative agronomy such as High-Density Planting System to enhance productivity of cotton. He wishes industry to focus on quality consciousness across the value chain and assured that initiatives for supporting modern facilities would be facilitated. Textile Value Chain needs to strengthen traceability technologies and testing facilities in the country.

60. Resource Centre

A Resource Centre with the comprehensive collection of MMF garments and fabric swatches has been created and updated at Apparel House, Gurugram.

WEBINARS CONDUCTED DURING THE YEAR.

1. AEPC in association with TUV Rheinland India Pvt. Ltd. organized a webinar on 04.05.2022 on the topic of Saudi Product Safety Programme (SALEEM) and Ministry of Industry and Advanced Technology (MoIAT) Regulation general guidelines for Textile Products to create awareness on technical requirements for better market access in UAE and Saudi Arabia.

2. AEPC organized a webinar on Authorized Economic Operator (AEO) Scheme for awareness & export facilitation on 16.06.2022 with Director General of Taxpayer Services (DGTS), Department of Revenue, Ministry of Finance.
3. AEPC in association with CR Forex Advisors organized a webinar on “Minimizing Banking & FX costs & Outlook for USDINR” on 05.08.2022.
4. To get the prestigious quality labels for the product towards the credibility for global buyers and for improving processes and product quality as well as the practical impetus for the quality work, AEPC in association with Hohenstein India Pvt. Ltd. organized a webinar on “OEKO-TEX®- A complete solution for Textile Supply Chain” on 25.08.2022.
5. A Webinar organized with Directorate General of Systems & Data Management (DG Systems), Department of Revenue, Ministry of Finance on RoSCTL Scheme and related issues on 2nd September, 2022. A large number of garment exporters from across the country joined the webinar and resolved their queries during Q&A, session.
6. AEPC in association with Centric Software organized a webinar on “Reduce Costs and Increase Efficiency: PLM for Garment Exporters” on 18.01.2023.
7. To connect with Indian manufacturers/ exporters and providing them market access to brands across the World, AEPC in association with Swatchbook India Private Limited organized a webinar on “*Integrating Technology for Growing Business Needs & Taking a Step Towards Sustainability*” on 27.02.2023.



8. Embassy of India, Berlin, Germany organized a Webinar on 28th February 2023. The webinar focused upon the outcome of the market study of the German RMG sector and the prospects for enhancing India's RMG exports to Germany. The Embassy of India in Germany had conducted a research study on German RMG Market of all Textiles and Prospects for Enhancing Indian Exports of RMG to Germany by Mr. Karl Borgschulze, Consulting Service International Ltd. and Dr. Arretz, MD, of German Non-Food Importer Association. The consultants gave a Presentation on Study on the German RMG Market of all Textiles and prospects for enhancing Indian Exports of RMG to Germany. The presentation was open to all AEPC members pan India.

EXPORT PROMOTION

Export Promotion Department of the Council has been continuously working for export promotion of apparels from India through participation in overseas fairs, business matching, organizing both Buyers Seller Meets (BSM) and Reverse BSM and focused trade delegation.

Towards this endeavor, the department has organized following global trade events in the last financial year:

1. PHYSICAL TRADE EVENTS

- (I) International Apparel and Textile Fair

(IATF), Dubai, UAE (9-11 May, 2022) - The Council participated in International Apparel and Textile Fair, Dubai from 9-11 May, 2022 with 13 booths and 3350 visitors visited the fair. The event was approved under MAI scheme.

(ii) Pure London, (Pure Origin) London, UK (17-19 July, 2022) – The Council participated in Pure London (in Pure Origin – Spring /Summer) held from 17-19 July, 2022 at London with 12 booths and 12000 visitors visited the fair. The event was approved under MAI scheme.



(iii) India Tex Trend Fair (ITTF), Tokyo, Japan (20-22 July, 2022) – The Council participated in India Tex Trend Fair, Japan held from 20-22 July, 2022 with 80 booths (75 booths with MAI + 5 booths without MAI) and 2262 visitors visited the fair. The event was approved under MAI scheme.



(iv) Sourcing at Magic, Las Vegas, USA (7-10 August, 2022) – The Council participated in Sourcing at Magic, Las Vegas, USA held from 7-10 August, 2022 with 34 booths and more than 600 visitors visited in the Indian Pavilion. The event was approved under MAI scheme.

(v) Who's Next, Paris, France (2-5 September, 2022)-The Council participated in who's Next, Paris, France held from 2-5 September, 2022 with 15 booths and 287 buyers visited the fair. The event was approved under MAI scheme.



(vi) India Apparel & Accessories Fair (Buyer Seller Meet) at Madrid in Spain (5-6 October, 2022) The Council participated with 16 booths. Total 80 buyers visited at Madrid. The event was approved under MAI scheme.

(vii) Buyer Seller Meet at Copenhagen in Denmark (7-8 November, 2022) The Council participated with 13 booths. Total 45 buyers visited at Copenhagen. The event was approved under MAI scheme.

(viii) International Sourcing Expo Australia (ISEA) Melbourne, Australia, (15-17 November, 2022)- The Council participated in International Sourcing Expo Australia (ISEA) Melbourne,

Australia held from 15-17 November, 2022 with 49 booths and approx. 5000 visitors visited the fair. The event was approved under MAI scheme.



(ix) International Apparel and Textile Fair (IATF), Dubai, UAE (28-30 November, 2022) - The Council participated in International Apparel and Textile Fair, Dubai from 28-30 November, 2022 with 20 booths and 3500 visitors visited the fair. Business was generated worth of USD 1.28 mn. The event was approved under MAI scheme.



(x) Sao Paulo Pret A Porter, Sao Paulo, Brazil (16-18 January, 2023)– Council 1st time participated in Sao Paulo Pret A Porter held from 16-18 January,

2023 at Sao Paulo, Brazil. The Council participated with 8 booths and 63 buyers visited the fair. Business was generated worth of Rs. 41 lakhs. The event was approved under MAI scheme.

(xi) Sourcing at Magic, Las Vegas, USA (13-15 February, 2023) – The Council participated in Sourcing at Magic, Las Vegas Fair held from 13-15 February, 2023 with 31 booths (29 booths with MAI & 2 booths without MAI) from India. More than 628 buyers visited the Indian pavilion and business generated was US\$ 20.84 mn. The event was approved under MAI scheme.



2. TRADE DELEGATION & GLOBAL ALLIANCES:

1) Visit of High Level Trade Delegation to Australia 4-9 April, 2022-A High Level delegation led by Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry along with three members delegation from AEPC Executive Committee Members consisting of Shri Gautam Nair, Chairman (EP) AEPC, Shri B Shanmugasundaram, E C Member & Shri Vinit Suresh Sethi, Trade Member visited Melbourne, Sydney & Perth during April, 2022.

ii) Visit of High Level Indian Trade Delegation of AEPC to Tokyo, Japan (19-22 July, 2022):- A High Level Indian Trade Delegation visited, Tokyo Japan 19-22 July, 2022 under the leadership of Shri. Naren Goenka, Chairman, AEPC who was accompanied by Shri. Sudhir Sekhri, Vice Chairman, AEPC, Shri. Gautam Nair, Chairman – Export Promotion (AEPC) & Dr. A. Sakthivel, Immediate Past Chairman (AEPC). The objectives of the Delegation were to meet garment Buyers, Associations, Chain stores, Retailers, Wholesalers, Trading Companies Fashion Designers and big importers dealing in garment buying with a view to set up institutional mechanism for increasing export of garments from India to Japan. The delegation has also invited garment buyers to Reverse Buyer Sell Meet at Apparel House, Gurgaon which would be held during the month February, 2023.

iii) Visit of High Level Indian Trade Delegation of AEPC to Las Vegas, USA, (7-11 August, 2022) -A High Level Indian Trade Delegation visited Las Vegas, USA 7-11 August, 2022 under the leadership of Shri. Naren Goenka, Chairman, AEPC who was accompanied by Dr. A. Shakhivel, President FIEO and former Chairman AEPC, Mr. R. B. Goenka, EC Member and Mr. Vijay Agarwal, EC Member. Chairman, AEPC on 08.08.2022 attended Global Trade Session in Sourcing at Magic as the Panelist. The seminar was organised by California Fashion Association (CFA). CFA is a non-profit organization established to provide information for business expansion and growth, providing members with vital updates on new

regulations and their professional implications. Chairman AEPC stressed on the importance of Indian Garment exports which is constantly on the rise and is presently about 32% of the total exports. The meetings of the delegation with other bodies are as follows:-

- Meeting with President, United States Fashion Industry Association:-Shri. Naren Goenka, Chairman AEPC along with Dr. A Sakthivel, Past Chairman AEPC met Ms. Julia K. Hughes, President - United States Fashion Industry Association (USFIA) on 09.08.2022. During the meeting, discussions were held on points relating to increasing exports from India to the USA. USFIA represents brands, retailers, importers, and wholesalers based in the United States and doing business globally. USFIA works to eliminate tariff and non-tariff barriers that impede the fashion industry's ability to trade freely in the USA.
- Meeting with the President AAFA in USA:-Sh. Naren Goenka, Chairman AEPC along with Dr. A Sakthivel, Past Chairman AEPC, Sh. Vijay Agarwal EC Member AEPC and Sh. R.B. Goenka, EC Member AEPC on 11.08.2022 met Mr. Steven Lamer, President American Apparel & Footwear Association (AAFA). During the meeting, discussions were held on increasing the garment exports from India to the USA. AAFA is the trusted public policy and political voice of the apparel and footwear industry, its management and shareholders, its three million U.S. workers, and its contribution of more than \$350 billion in annual U.S. retail sales.



- Meeting with the President SAI in USA:-Sh. Naren Goenka, Chairman AEPC along with Dr. A Sakthivel, Past Chairman AEPC, Sh. Vijay Agarwal EC Member AEPC and Sh. R.B. Goenka, EC Member AEPC also met Ms. Jane Hwang - President & CEO - Social Accountability International (SAI) and their team. During the meeting discussions were held on points related to social accountability and how to increase the RMG import from India.

iv) Visit of High Level Trade Delegation of AEPC to Australia 14-18 November, 2022:-A High Level Trade Delegation visited Australia 14-18 November, 2022 under the leadership of Shri. Naren Goenka, Chairman, AEPC who was accompanied by Shri. Sudhir Sekhri, Vice Chairman, AEPC and Shri. Rakesh Vaid, Vice Chairman, ATDC. The objective of visit of the delegation was:

- To explore the business prospects of Indian garment exports in Australia considering fall of Chinese garment exports in Australia.
- Interact with prominent trading companies currently sourcing from China and understand their basic issues and challenges towards

diversifying their future sourcing from India supporting their China exit strategy

- Present a strong case of Indian garment industry
- Apprise about new government schemes supporting enhancement of production capacity
- Measures taken by Indian garment industry towards being sustainable and compliant as per Australian Standards
- Place AEPC as their one stop solution for any future sourcing needs from India.
- Explore possible investment opportunities from the Australian brands
- Strategizing means to strengthen quality compliances with support from Australian counterparts

AEPC team composed of Mr. Rakesh Vaid and Dr. Tamanna Chaturvedi, DSG, AEPC met Australia India Business Council at Sydney on 14.11.2022 & Chairman AEPC along with Vice Chairman had attended this meeting via Video conferencing. The delegation met with K mart, Just Group & Licensing Essential, Australian Retailer's Association, Thomas Cook and Chain stores dealing with garment buying with a view to set up institutional mechanism for increasing export of garments from India.

v) **Visit of AEPC Delegation to International Apparel & Textile Fair (IATF) Dubai, UAE (28-30 November, 2022)**- Shri. Ashok G Rajani, Chairman (F&E) AEPC visited Dubai, UAE during the fair days and met exhibitors and fair Authorities, Buyers and hold the meeting the Officials of Embassy of India, UAE.



3. Domestic Events (Reverse Buyer-Seller Meet (RBSM))



Apparel Export Promotion Council, in its ongoing efforts to promote export of readymade garments from India has organized “UPNEXT INDIA” a Reverse Buyer-Seller Meet (RBSM) at Apparel House- AEPC's own building, Sector -44, Gurugram, Haryana from 10 -11 February 2023 under MAI Scheme of Government of India. During the 2 days event, Council showcased the best of India's apparel designs and styles in line with the latest fashion trends in wide range of traditional cotton as well as unique products including organic, sustainable products, Men's, boys, Women's Girls, Kids, Baby's & children wear etc.

Japan has been the fourth largest garment importer in the world with total imports of US \$ 23 bn in 2021 just after USA, UAE and EU. Apparel imports into Japan has been stable in the last 3 years despite pandemic. Indian RMG exports holds a strong business opportunity in Japan. AEPC trade delegation to Japan during July 2022 had witnessed Japanese trading companies expressing their willingness to

explore sourcing opportunities from India across various product categories. Further, Indo-Japan CEPA offers a duty-free access to Indian RMG in Japan.

Council has happy to share that AEPC along with the support from Japan India Industry Promotion Association, (JIIPA) Tokyo has been able to mobilize more than 70 prominent Japanese trading companies, retails stores, brands including Sumitomo, Mitsubishi, Marubeni, Koyo, United Arrows, Toyoshima, Tamurakoma etc. with the participation of more than 100 Indian RMG exhibitors PAN India for this RBSM.

HUMAN RESOURCES

1) Appointment of Secretary General.

Mr. Mithileshwar Thakur had joined the Council as Secretary General on 20th February, 2023. He is a member of the 1989 batch of Civil Service with experience of 33 years in the Government of India and 4 years in the best of public & private sector companies. He was the Gold Medalist/Topper in B. Tech., recipient of merit scholarships and among Top All India rank holders in the Combined Engineering Services Examination conducted by UPSC. He served as Additional Director General in the Department of Commerce, Ministry of commerce and Industry, Government of India and was extensively involved in formulation and implementation of India's Foreign Trade policy; administration of Trade Remedy Measures; amendment of Anti-dumping, Anti-subsidy and Safeguard Rules and negotiation of Free Trade Agreements/CECA/CEPA. He also headed Trade Defense in the Department of Commerce and efficiently safeguarded Indian interest against trade remedy measures undertaken by other WTO members against India

ii) Foundation day of the Council

AEPC Celebrated its 45th foundation day on 22nd February, 2023. The ceremony started with the lamp lighting at its Head Office which was followed by cake cutting in all offices of the Council. On this occasion Chairman AEPC and other EC members participated in the celebration at Head Office.



iii) Joint Celebration of International Women's Day and Holi Festival

A joint celebration was held at AEPC offices on the occasion of the International Women's day and Holi Festival on 7th March, 2023. The day started with greeting female colleagues by presenting a rosebud and a chocolate. A Cake cutting ceremony was held in the offices of the Council's where all the employees had participated which was followed by presenting gift coupons to all women employees. Specially designed e-greeting cards were circulated to wish all the employees on the occasions. The day ended with distribution of Holi refreshment boxes and employees applied ceremonial Tilak with colorful Gulal to each other.



iv) Har Ghar Dhyam

Under the aegis of Azadi ka Amrit Mahotsav, the Ministry of Culture has collaborated with the Art of Living Foundation and launched a campaign "Har Ghar Dhyam" to conduct one-hour introductory sessions on meditation and mental health for people from all walks of life. Accordingly, a Meditation Session was conducted on 28.11.2022 by Mr. Rajesh Surekha, a trainer from the Art of Living Foundation, for the employees of the Council at its Head Office and also taught the Bhastrika Pranayama along with the meditation.

v) Communal Harmony Camping

The Communal Harmony Campaign week from 19th to 25th November, 2022 was observed in the Council. The last day of the campaign i.e. 25th November, 2022 was celebrated as the Flag Day with the objective to raise fund for National Foundation for Communal Harmony (NFCH), for undertaking activities such as providing financial assistance for the rehabilitation of child victims of communal, caste, ethnic or terrorist violence.

vi) Celebration of Rashtriya Ekta Diwas – Run for Unity

Council observed the Rashtriya Ekta Diwas on 28th October, 2022 and organized a "Run for Unity Event". The event was presided over by the former Chairman AEPC and the eminent EC member of the

Council Mr. HKL Magu. Gathering offered the flower tribute to the picture portrait of Sardar Vallabhbhai Patel. The Rashtriya Ekta Pledge was administered and all the participants took the oath. Subsequently, participants joined the “Run for Unity”.



vii) Health Checkup Camp

A Health Checkup Camp was organized in collaboration with M/s Vipul Medcorp Insurance TPA Private Limited on 12.10.2022 at Council's Head Office, Apparel House, Gurgaon for its Delhi/NCR based employees. The Camp had facilities like eye checkup with consultation by an Optometrist, physician consultation with ECG facility and other physical examinations like Body Mass Index (BMI), Random Blood Sugar test, measuring Blood Pressure and examination for Bone Mineral Density (BMD). The stated facilities were provided to the employees free of cost. However, blood tests including Hba1c, complete Haemogram, Thyroid Stimulating Hormone, LFT and KFT were also arranged for the staff members at a negotiated rate through Dr. Lal Path Labs, Gurgaon.

viii) Deepavali Celebration

The employees in the Head office, Apparel House, Gurgaon celebrated Deepavali with great excitement and enthusiasm on 18.10.2022. SG AEPC welcomed the gathering and the celebrations began with lighting a ceremonial lamp by the Chairman

AEPC, Mr. Narendra Goenka, Vice Chairman, Mr. Sudhir Sekhri and EC Members Mr. HKL Magu, Mr. Rakesh Vaid and Mr. Gautam Nair. Consequently they performed Puja to invoke the blessings of Goddess Laxmi and Lord Ganesha. Mr. Narendra Goenka, Mr. Sudhir Sekhri and Mr. HKL Magu addressed the gathering and conveyed their best wishes for Deepavali.



ix) Navratri Celebration

Navratri celebrations held in all the offices of the Council on 29th September, 2022 with great verve and vigour. The festival which marks the arrival of Goddess Durga is celebrated with great devotion to invoke blessings of the deity. Musical Games were organized on the day and employees had great fun and thrill while matching their movements with the tempo of the music. Mumbai office widely enjoyed their Garbha performance whereas officials at Tirupur office ardently played musical chairs. Head office witnessed excited officials striving hard to earn the winning positions. Winners were given the prizes and enthusiastic participants energized themselves by clapping and cheering each other

x) AEPC Celebrates National Handloom Day

On the occasion of the 8th Handloom Day celebration on August 7, 2022, Council had propagated the hashtag

#MyHandloomMyPride through its various social media platforms. Beside this, Council had uploaded a hyperlinked Scrolling Web Banner on the home page of the council's website. The hyperlinked had the information relating to handloom sector in the forms of special tweets, documentary films and weavers' success stories. Members from the trade, by sending a formal message were requested to motivate officials in their respective organizations, their family members and friends to support the handloom weavers by buying the handloom products and posts the pictures at the referred hashtag.

xi) AEPC Celebrated Har Ghar Tiranga – Azadi ka Amrit Mahotsav

AEPC celebrated the 75th Independence Day of the country and participated in the “Har Ghar Tiranga” (HGT) campaign launched by the Government of India from 13th to 15 August 2022, under the aegis of Azadi Ka Amrit Mahotsav (AKAM). A formal communication was sent to the member exporters in Trade and to the Council's employees to “Pin a Flag”, to change the whatsapp DP with tricolour, upload selfie with flag and video messages recorded on the occasion in the formal website of HGT. A scrolling web banner was uploaded in council's website depicting tricolor history. Prepared a selfie corner for employees at the council's office to click photos and specially designed standees were placed in the compound. Desktop tirangas were kept on employees' desks, office premises were decorated with tricolor, distributed tricolour sweets and employees attended office in ethnic wear to mark the occasion. Information on HGT campaign was proliferated through Council's social media sites of Facebook, twitter, Koo, LinkedIn and Instagram.

xii) Visit of Indian Trade Service (ITS) probationers at Apparel House,

Gurgaon on 06.06.2022:

As part of on job training 6 Indian Trade Service (ITS) probationers visited Apparel House on 06.06.2022 and interacted with AEPC for understanding apparel export initiatives and to learn about the functioning of the Council/EPCs. During the visit to the Council they were briefed on the AEPC functioning and role of EPC's in India's Export.



AEPC SKILL ASSESSMENT CELL

The Council has made a significant contribution to the skill development initiatives in the apparel/garment, khadi and carpet sectors. Consequent to its continuous efforts in providing the skilled manpower in the industry, the Council since September 2009 has conducted assessments of around 1.80 lakh candidates, under the various government-run schemes.

For conducting assessments, the Council has been empanelled with the, Skill Development Initiative (SDI) Scheme of DGE &T for Modular Employable Skill Courses, ISDS (Integrated Skill Development Scheme) of MoT for Non-Modular Employable Skill Courses, PMKVY (Pradhan Mantri Kaushal Vikas Yojna) & Non-PMKVY courses managed by the AMHSSC, Chief Minister's Kaushalya Karnataka Yojana of Karnataka Skill Development Corporation (KSDC),

Skill Mission of Karnataka state and with Delhi SC/ST/OBC/Minorities/Handicapped Financial & Development Corporation Limited of Delhi Government.

As recognition from National Council of Vocational Education & Training (NCVET) is essential now for conducting the assessments under the government-run schemes, hence as suggested by the NCVET, the Council has pursued with the Ministry of Textiles to recommend its empanelment as an assessment agency to NCVET, for assessing the trained candidates in Textile/Garment sectors.

ASSET MANAGEMENT

1. AEPC had taken up repair and maintenance of its registered office building at Okhla, New Delhi. The repair works were carried out through M/s WAPCOS Ltd. a govt Public Sector Undertaking (under the Ministry of Jal Shakti). During the repair and maintenance, remodelling of ATDC premises was also taken up through the same agency with a combined cost of Rs. 34,28,262/-
2. AEPC had taken up repair and maintenance of its building at Yeshwantpur, Banagalore for terrace waterproofing, construction of additional toilets, painting of external and internal walls and renovation of the officer's cabin for an amount of Rs. 20 lakhs (GST extra)

3. AEPC had an office at Naraina measuring 150 sqft taken on lease for a period of five years w.e.f. 11.07.2017 to 10.07.2022. The office premise was being used by AEPC as its regional office majorly for the issuance of Certifications of Origin (CO). Since the issuance of Certification of origin (CO) has become online w.e.f. 01.04.2022 and no other office activity was being carried out from there, Upon expiry of the lease, Naraina office was wound up and the premises handed over to the owner. The activity of the Naraina office was merged with the AEPC Okhla office.
4. All the statutory taxes such as property tax, maintenance charges cess etc. have been deposited with authority concerned in respect of AEPC's premises wherever applicable.

SECRETARIAL & MEMBERSHIP

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

During the year 2022-23, 526 new Registered Exporters were enrolled.

The position as on 31st March, 2023 is as under:

Type	MER	MCM	MAF	Total
Member Exporters	85	22	943	1050
Registered Exporters	1584	349	3833	5766
			G. Total	6816

MER : Merchant

MCM : Merchant cum Manufacturer

MAF : Manufacturer

The total number of Registered Exporters converted as Member as on date is 2623, 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 2022-23, 4 Nos. of Executive Committee meetings were held as detailed below:-

Serial No.	Date
1	21.04.2022
2	27.07.2022
3	01.11.2022
4	28.02.2023

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2022-23 is available at the website of the council i.e 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 advice 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 WTO matters, Foreign Trade Policy matter, deliberation on export targets, monitoring of market intelligence cell, promoting brand India image for Indian Apparel, creating global alliances & networking, vendor connect programs, webinars and export facilitations.

3. Fair & Exhibition 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 and to organize various events at Apparel House, Gurugram.

4. Staff Committee

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

5. 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.

6. Regional Committees

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.

7. 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.

8. 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.

9. Empowered Committee

- To monitor the expenditure where any Government assistance under any scheme is provided to the Council.

APPAREL HOUSE

The Apparel House, a premiere hub for international trade in apparel and accessories, has Showrooms, Auditorium, Exhibition Hall, Art Gallery, Cafeteria, Plaza Area, Amp hi theatre, conference room and Bank/ATM is located at Gurgaon. M/s Friendshiptimes.com has been leased the space for running their restaurant operations. They operate the restaurant under the brand name Punjabi by Nature.

AEPC has undertaken steps towards against the showroom holders who have not vacated the showroom at Apparel House, Gurugram. There are total 13 showroom holders who have occupied the showrooms as on date. Legal notices duly vetted through Legal Advisor have been issued to all concerned showroom holder.

Out of 13 showroom holders, it was decided to file suit against 03 show room holder i.e. M/s Shree Ram Overseas, M/s Fashions Sphere & M/s Exotica International. The suit has been filed against all three showroom holders at Gurugram District Court. Following the suit, M/s Shree Ram Overseas has vacated their showroom and M/s Fashion Sphere has also agreed to vacate the concerned showroom. No communication could be established with M/s Exotica International.

The Facility Management team and Security at Apparel House are trained on the fire and safety of the building premises on a regular basis. This ensures prompt and ready response in case of any unwanted exigencies and preparedness at all times. All the statutory compliances like Fire NOC, property tax, lift NOC etc. have been duly obtained and complied with authority concerned.

STATE OF COMPANY AFFAIR

(Financial Review)

i) The net results show a Surplus of Rs. 2.15 crore as against deficit of Rs.1.87 crore during financial year 2021-22:

Particular	Actual 2021-22	Actual 2022-23	Difference Increase/ (Decrease)
Rs. In Crore			
Total Income	26.20	39.35	13.05
Total Expenditure	28.08	37.20	9.12
Provision of Tax- Earlier Years	-	12.75	-
Net Surplus	(1.87)	(10.60)	(8.73)

ii) The total income of the Council during the current year was Rs.39.35 crore as compared to Rs.26.20 crore during FY. 2021-22, indicating an increase of revenue by Rs.13.15 crore, details are as under:-

Source of Income	Actual 2021-22	Actual 2022-23	Difference Increase/ Decrease
Rs. In Crore			
Membership Income	4.90	4.42	(0.48)
Council Fees	1.04	0.22	(0.82)
EXPORT Promotion Receipts including Grant	2.07	14.38	12.31
Assessment Income	0.41	0.19	(0.22)
Rent	10.94	13.42	2.48
Interest	6.29	6.41	0.12
Profit on sale of Property, Plant and Equipment	0.06	-	(0.06)
Others	0.49	0.31	(0.18)
Total	26.20	39.35	13.15

iii) The total expenditure of the Council during the current year was Rs. 37.20 crore as compared to Rs.28.08 crore during F.Y 2021-22, indicating an decrease of expenditure by Rs.9.12 crore, details are as under:-

Head of Expenditure	Actual 2021-22	Actual 2022-23	Difference Increase/ Decrease
Rs. in Crore			
Salaries & Staff Benefits	15.87	13.00	(2.87)
Meeting Expenses	0.64	0.85	0.21
Legal & professional Charges	1.15	1.25	0.10
Export Promotion & E&C Expenses	3.08	15.06	11.98
Assessment Expenditure	0.07	0.02	(0.05)
Depreciation	1.75	1.90	0.15
Repairs & Maintenance	1.54	1.85	0.3
Administrative & Office Expenditure	3.97	3.27	0.7
Total	28.08	37.20	9.12

iv. Other points;-

- As per the guidance note on revised schedule iii of the Companies Act, 2013, the figures of Balance Sheet, P&L and Notes are rounded off in Rs. in Lakhs.
- During the year, based on the Supreme Court decision in Council's Income Tax case, a provision of Rs. 12.75 crores have been made.
- During the year Council has incurred on capital expenditure Rs.0.10 crore against Rs. Rs.1.99 crore during previous year.
- During the year some of the old

balances are proposed for written off, the effect of the same are incorporated in the accounts.

- The Claim from MOT has been increased by Rs. 0.40 crore excluding GST for current years expenditure spend by the Council on BG/EMD Cell. However, the old recoverable is still to be received to us. Total Recoverable as on 31.03.2023 from MOT in this regard is Rs. 7.26 crores.

AMOUNT TRANSFERRED TO RESERVES

No amount is transferred to any separate reserve

RISK MANAGEMENT POLICY

During the year the Executive Committee overseas that all the risks that the organization faces such as strategic or operational have been identified and there is adequate risk management infrastructure in place capable of addressing those risks. All the Council's properties, plant and machinery 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.

SECRETARIAL AUDITOR REPORT

The Council was not required to appoint Secretarial Auditor as it does not fall within Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014.

DECLARATION BY INDEPENDENT DIRECTORS

The Council was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178.

The Council was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2022-23 till the date of this report.

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

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

a) Conservation of Energy:

Steps taken for conservation	Nil
Steps taken for utilizing alternate sources of energy.	NIL
Capital investment on energy conservation equipments	NIL

b) Technology Absorption:

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

c) Foreign Exchange Earnings/ Outgo:

Earnings	Nil
Outgo	Rs. 11.96 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 2021-22, in the prescribed format, AOC 2 has been enclosed with the report at Annexure-I.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Companies (Amendment) Act, 2017 amended the section 135(1) of the Companies Act 2013 provides that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during [the immediately preceding financial year] shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

From the last 3 financial years, the council has not crossed any of the specified limits mentioned under the Act to make CSR contributions. Therefore, for this financial year i.e 2022-23, the council has not made the CSR contribution.

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.	Mr. Vijay Kumar Agarwal	Re-elected as Executive Committee Member
2.	Mr. Premal H Udani	Re-elected as Executive Committee Member
3.	Mr. Samir Narayan Bhuta	Elected as Executive Committee Member
4.	Mr. Rakesh Vaid	Re-elected as Executive Committee Member
5.	Mr. H K L Magu	Re-elected as Executive Committee Member
6.	Mr. Gautam Nair	Re-elected as Executive Committee Member
7.	Mr. B Shanmugasundaram	Re-elected as Executive Committee Member
8.	Mr. K M Subramanian	Re-elected as Executive Committee Member
9.	Mr. R Ramu	Re-elected as Executive Committee Member
10.	Mr. Vijay Jindal	Appointed as Co-opted Member
11.	Mr. Navin Agarwal	Appointed as Co-opted Member
12.	Mr. Siva Ganapathi	Appointed as Co-opted Member
13.	Mr. Dilip D Dudani	Ceased as Executive Committee Member
14.	Mr. G S Madan	Ceased as Co-opted Member
15.	Mr. Jagadish N Hinduja	Ceased as Co-opted Member
16.	Mr. Gobind Ramchand Khemlani	Ceased as Co-opted Member

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

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

DEPOSITS

During the year council has 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 were held and there was no case reported pursuant to the sexual harassment of Women at

Workplace (Prevention, Prohibition & Redressal) Act, 2013.

D I R E C T O R S R E S P O N S I B I L I T Y S T A T E M E N T

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

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- b) the Executive Committee has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the income & expenditure of the Company for that period;
- c) the Executive Committee has 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 has prepared the annual accounts on a going concern basis;
- e) the Executive Committee has devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

E X P L A N A T I O N T O A U D I T O R ' S R E M A R K S

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 2021-2022 does not contain any qualification, reservation or adverse remarks.

P A R T I C U L A R S O F L O A N , G U A R A N T E E S A N D I N V E S T M E N T S U N D E R S E C T I O N 1 8 6

During the F.Y 2022-2023, Council doesn't provide any loan, Guarantee and made any investment pursuant to section 186 of the Companies Act, 2013.

P A R T I C U L A R S O F E M P L O Y E E S .

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 II to this Report.

A U D I T O R S

M/s. SCV & Co. LLP (Firm Registration No. 000235N/N500089) was appointed as Statutory Auditor of the Council at 39th AGM of the Council held on 28.09.2018 to hold the office till the conclusion of this Annual General Meeting of the Council. The Executive Committee of the Council in its meeting held on 26.08.2023 have decided

to re-appoint them as statutory auditor of the Council to hold the office from the conclusion of this 44th Annual General Meeting until the conclusion of the 49th Annual General Meeting to be held in the year 2028, subject to the approval in the AGM.

OTHER EMPHASIS MATTER

1) Public Accounts Committee in its 129th 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 has 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 has 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 31st October 2018 and reminder letter no. 8/1/2016-EP dated 14th 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 14th 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 has 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 24th May, 2019 & 19th 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 has 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 447-447 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.

Registrar of Companies had filed the two cases during 2021-22 with cause title RoC Vs A. Sakthivel & Ors and RoC Vs Virender Uppal & Ors at the Hon'ble Court of LD, ACMM (Spl. Act) Central Tiz Hazari, Delhi for contravention under section 128 of the Companies Act, 2013 and for contravention under section 129 of the Companies Act, 2013 respectively, the cases are 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 is filed before the Delhi High Court by the respondents, for quashing the complaint cases proceedings in the Tis Hazari Court and the proceedings are pending.

Further, Registrar of Companies have filed one case during 2022-23 with cause title RoC Vs AEPC and Ors at Dwarka Court, Delhi for contravention under section 134 of the Companies Act, 2013, the cases are being represented. Applications u/s 482 of CRPC is filed before the Delhi High Court, for quashing the complaint cases proceedings in the Dwarka Court and the proceeding is pending.

Executive Committee in its 257th 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 has 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 2021-22, with details of:

Financial Year	Earnest Money Deposit-Quota/Earnest Money Deposit (As per Annual Report)	EMD-FDR/EMD Forfeiture-FDR (As per Annual Report)	Interest on EMD-FDR Encashment (Clubbed under Other Liabilities till 2010-11 therefore extracted from "Tally" Accounting Software)	EMD-Stale/Returned Cheques etc (Clubbed under Other Liabilities till 2010-11 therefore extracted from "Tally" Accounting Software)	Total EMD Liabilities (2+3+4+5)	Schedule No. /Note No. in the respective Annual Report of AEPC for reference)
1	2	3	4	5	6	7
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	369534178.4 9	114295560.5 9	71497269.03	34158882.7 7	589485890. 88	Schedule 4 Current Liabilities & Provisions
2007-08	360404158.0 0	66261281.00	70569640.00	43618434.0 0	540853513. 00	Schedule 4 Current Liabilities & Provisions
2008-09	361865146.0 0	51944429.97	70784996.01	39433318.4 1	524027890. 39	Schedule 5 Current Liabilities & Provisions
2009-10	357560837.0 0	43699440.97	70540812.40	39065342.1 4	510866432. 51	Schedule 6 Current Liabilities & Provisions
2010-11	363386669.9 7	15349880.00	73746327.91	39564123.3 5	492047001. 23	Note-6 Other Current Liabilities
2011-12	490346338.6 2	All the EMD liabilities are Merged and shown under Earnest Money Deposit.			490346338. 62	Note-6 Other Current Liabilities
2012-13	486968914.9 0				486968914. 90	Note-6 Other Current Liabilities
2013-14	485788675.6 6				485788675. 66	Note-6 Other Current Liabilities
2014-15	486240579.6 8				486240579. 68	Note-6 Other Current Liabilities
2015-16	485422944.5 0				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
2019-20	2100364.00				2100364.00	Note-6 Other Current Liabilities
2020-21	2100364.00				2100364.00	Note-6 Other Current Liabilities
2021-22	2100364.00				2100364.00	Note-7 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 2020-21, 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.

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 Addl. 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 2021-22 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

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

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 2020-21 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) has conducted audit u/s 14 of the DPC Act 1971 for the years 2003-04 to 2011-12 and then subsequently for 2012-13. Further, the office of the Chief Controller of Accounts (CCA), Ministry of Textiles (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 24th 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 09th October 2015, read with letter No. 13/04/2015-EP dated 25th 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 has also 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 above referred matter, 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.

6) 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 express their sincere gratitude for the cooperation, assistance and support extended to the Apparel Industry by Shri Narendra Modi, Hon'ble Prime Minister, Shri Piyush Goyal, Hon'ble Minister of Commerce & Industry and Textiles, Smt. Nirmala Sitharaman, Hon'ble Minister of Finance, Smt Darshana Vikram Jardosh, Hon'ble Minister of State in the Ministry of Textiles, Smt Anupriya Patel, Hon'ble Minister of State in the Ministry of Commerce & Industry and Shri Som Parkash, Hon'ble Minister of State in the Ministry of Commerce & Industry, Shri Shaktikanta Das, Reserve Bank of India Governor, Shri Sunil Barthwal, Secretary of Ministry of Commerce & Industry and respected Secretary of Ministry of Textiles Smt. Rachna Shah

The apparel industry is thankful to the government for the signing of FTAs with UAE and Australia as this will surely neutralize the advantage which our competitors use to enjoy in some of the important markets because of GSP and other NTBs. We are confident that the Government will finalize the FTA's negotiations with other countries also like EU, Canada and UK.

The Executive Committee also expresses its gratitude to Smt Sukriti Likhi, Financial Advisor, Ministry of Textiles, Shri Rohit Kansal, Additional Secretary, Smt. Shubhra, Trade Advisor, Ministry of Textiles, Smt Roop Rashi, Textile Commissioner, Shri Rajeev Saxena, Joint Secretary, Ministry of Textiles, Smt. Shubhra, Trade Advisor, Ministry of Textiles, Shri Rajeev Saxena, Shri Gaurav Kumar, Economic Advisor, Smt. Prajakta L Verma, Joint Secretary, Ministry of Textiles, Shri Ajay Gupta, Joint Secretary, Ministry of Textiles and other senior officials of the Government, who extended their continuous support in the furtherance of Apparel exports from India.

The Committee also thanked and expressed its deep appreciation for the assistance, cooperation and support extended by Ministry of Commerce & Industry, Textiles Commissioner, DGFT, NITI Aayog, Textiles Committee, Central Board of Indirect Taxes and Customs, Directorate General of Analytics & Risk Management and other officers of the Government of India for promotion of export of readymade garments to various countries.

The Executive Committee appreciated and thanked Shri Narendra Goenka, Chairman-AEPC, for his total commitment and unstinted hard work & efforts made towards the cause of the Apparel Export Industry.

The Committee appreciated the work and support extended by Shri Sudhir Sekhri, Vice Chairman and members of the Sub Committees & their Chairmen i.e. Shri Premal H. Udani, Chairman, Advisory Sub-committee, Shri Gautam Nair, Chairman, Export Promotion Sub-Committee, Shri Ashok Rajani, Chairman, Fair & Exhibition Sub Committee, Shri Vijay Agarwal, Chairman, Finance & Budget Sub-committee, Shri Narendra Goenka, Chairman, Staff Sub Committee, Shri Lalit Thukral, Incharge (Regional Committee, Northern Region), Shri Ashok Rajani, Incharge (Regional Committee, Western Region) Shri Anil Buchasia, Incharge (Regional Committee, Eastern Region), Dr.A.Sakthivel, Incharge (Regional Committee, Southern Region), Shri H.K.L. Magu, Chairman, Apparel House Management Sub-committee, Shri Narendra Goenka, Chairman Empowered 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 the officers and staff of the Council under the guidance of Shri Mithileshwar Thakur, Secretary General of the Council, without which the achievement of 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. The continued support, guidance and co-operation given by the trade in various fields have helped in meeting the goals set forth for the Apparel Industry.

For and on behalf of Executive Committee

(Narendra Goenka)
Chairman, AEPC
DIN: 01234889

Place: Gurugram
Date: 23.11.2023

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

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

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

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

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

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

Date :23.11.2023
Place: Gurugram

By Order of Executive Committee
For Apparel Export Promotion Council

(Narendra Goenka)
Chairman
DIN: 01234889

STATEMENT OF PARTICULARS OF EMPLOYEES FOR THE YEAR ENDED 31ST MARCH, 2023

(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) (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
Mr. Chander Kishore Sharma	Joint Director	4259694	Regular employee	B.A.	60	38	06.07.1988	M/s. Wimco Ltd., Bareilly	NA	30.11.2022 (Retired)
Mr. Om Prakash Malhotra	Joint Director	3428996	Regular employee	B.Com.	61	35	23.01.1989	M/s. Mahindra & Mahindra Ltd., Rohtak	NA	30.04.2022 (Retired)
Dr. Lalit Behari Singhal	Secretary General	3356199	Contractual	PhD, MBA, LLB, BSc.	63	36	19.10.2020	Zonal Development Commissioner, In - charge of Noida Special Economic Zone	NA	18.01.2023 (Relieved)
Mr. Rajender Prasad Kukreti	Senior Record Sorter	3099451	Regular employee	VIII th Pass	60	42	01.10.1980	-	NA	31.10.2022 (Retired)
Mr. Kundan Srivastava	Sr. Director	2998230	Contractual employee	B.Com, FCA, LLB	48	19	20.02.2007	M/s. Elite Stock Management Ltd., Delhi	NA	-
Ms. Tamanna Chattervedi	DSG	2858400	Contractual	MSc. In Ag. Eco., PHD - WTO	48	24	11.08.2021	Indian Institute of Foreign Trade (IIFT)	NA	-
Mr. Soundararajan Hari Krishnan	Director	2681056	Regular employee	B.Sc.	52	30	24.01.1994	M/s. Sita World Travel (India) Pvt. Ltd., New Delhi	NA	-
Mr. Sanjay Kumar Dudeja	Addl. Director	2532428	Regular employee	B.A., NTC Steno (Eng), MBA-HR	54	35	21.02.1992	M/s. Frontier Tech Pvt. Ltd., Gurgaon	NA	-
Mr. JS Rana	Addl. Director (O)	2469925	Regular employee	B.A.	59	36	25.10.1993	M/s. Haryana Breweries Ltd., New Delhi	NA	-
Mr. Praveen Kukreja	Joint Director	2343425	Regular employee	B.A.	56	37	06.10.1993	Shri Mool Chand Kharaiti Ram Hospital & Ayurvedic Research Institute, New Delhi	NA	-

APPAREL EXPORT PROMOTION COUNCIL

Independent Auditor's Report

on the Financial Statements for the financial year ended March 31, 2023

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/ Company”), which comprise the Balance Sheet as at March 31, 2023, 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 (hereinafter referred to as “the Financial Statements”).
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 and Companies (Accounting Standard) Rules, 2021, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Council as at March 31, 2023, and its Deficit 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 (b) 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 (“MoT”). The note further elaborates

on challenging by the Council, the applicability of CAG Audit and other developments during the period under audit. As stated in the said note, 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 this matter.

Emphasis of matter

5. We draw attention to
 - a. Note 23.1 (a) to the accompanying financial statements, regarding letter received by the Council from the MoT, to deposit the rent proceeds of Rs. 6,256 lakhs of certain rented premises of the Council and the management's assessment of the pending outcome.
 - b. Note 23.1 (b) to the accompanying financial statements, stating details of letters received by the Council from the MoT to deposit interest amount as earned by the Council on Earnest Money Deposits from Exporters amounting to Rs. 21,444 lakhs and Rs. 1,742 lakhs 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 MoT. The note further elaborates on challenging the applicability of CAG Audit and other developments during the period under audit. The matter is presently under judicial consideration.
 - c. Note 27 (b) to the accompanying financial statements, regarding an outstanding recoverable of Rs. 726.15 lakhs from MoT, being 'Claims of reimbursement of administrative expenses of EMD-BG work' for the period from September 2017 to March 2023'. The same is considered good for recovery as per management's assessment given in the said note taking into consideration the 'MoT's denial in September 2021' and 'Council's communications for re-emphasizing the same in October 2021, March 2022, April 2022 and March 2023.

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 Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Rules, 2021, 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. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
 13. 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.
 14. 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

15. As required by the Companies (Auditor's Report) Order, 2020 ("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.
16. 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 Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standard) Rules, 2021, as amended.
- (e) The matters described in 'Material uncertainty related to going concern' paragraph and 'Emphasis of Matter' paragraph 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, 2023 taken on record by the Council's Executive Committee, none of the member / directors is disqualified as on March 31, 2023 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, issued by the Central Government of India in terms of clause (j) of sub-section(3) of section of 143 of Company Act,2013 as amended in our opinion and to the best of our information and according to the explanations given to us, we report that:
 - I) The Council has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to 25theaccompanying financial statements.
 - ii) The Council did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Council.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Council to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Council ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Council from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Council shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v) The Council is limited by guarantee and does not have any share capital. Accordingly reporting under Rule 11(f), related to proposing / declaring / payment of dividend, is not applicable to the Council.
 - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
17. 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: Bengaluru

Date: August 26, 2023

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089
(ANUJ DHINGRA)
Partner
Membership No. 512535
ICAI UDIN No. 23512535BGYSQY6895

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 16(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, 2023.

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, 2023 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 Council has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

Place: Bengaluru

Date: August 26, 2023

For SCV & Co. LLP
Chartered Accountants
Firm Regn. No. 000235N/N500089
(ANUJ DHINGRA)
Partner
Membership No. 512535
ICAI UDIN No. 23512535BGYSQY6895



APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Balance Sheet as at March 31, 2023

Particulars	Note No.	Amount (Rupees In Lakhs)	
		As at March 31, 2023	As at March 31, 2022
<u>EQUITY AND LIABILITIES :</u>			
Member' Funds			
Reserves and surplus	2	16,014.49	17,118.17
Sub-Total		16,014.49	17,118.17
Non-current liabilities			
Other Long term liabilities	3	381.75	362.88
Long-term provisions	4	360.31	361.08
Sub-Total		742.06	723.96
Current liabilities			
Short Term borrowings	5	-	60.35
Trade payables	6		
a) Total Outstanding dues of micro enterprises and small enterprises, and		1.84	5.23
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		156.20	117.19
Other current liabilities	7	2,127.23	2,044.16
Short-term provisions	8	1,411.53	173.62
Sub-Total		3,696.80	2,400.55
	Total	20,453.35	20,242.68
<u>ASSETS :</u>			
Non-current assets			
Property, Plan and Equipment & Intangible Assets	9		
Property, Plan and Equipment	9(A)	4,680.40	4,908.27
Intangible assets	9(B)	2.67	4.64
Capital Work in Progress	9(C)	-	-
Long-term loans and advances	10	1,258.20	1,357.33
Other non-current assets	11	1,820.78	2,098.15
Sub-Total		7,762.05	8,368.39
Current assets			
Trade receivables	12	222.22	230.45
Cash and Cash Equivalent	13	455.02	314.78
Other Bank Balances	13A	8,783.71	8,750.00
Short-term loans and advances	14	1,355.46	1,263.11
Other current assets	15	1,874.89	1,315.95
Sub-Total		12,691.30	11,874.29
	Total	20,453.35	20,242.68

Significant accounting policy and notes -1, 23 to 41

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

Anuj Dhingra
Partner
Membership no : 512535

Narendra Goenka
Chairman
DIN : 01234889

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

Sudhir Sekhri
Vice-Chairman
DIN : 00109894

Mithileshwar Thakur
Secretary General

Sumit Gupta
Secretary

Kundan Srivastava
Sr. Director -Finance

Place : Bengaluru

Dated : 26-Aug-2023

APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)
Statement of Income and Expenditure for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<u>INCOME :</u>			
Income from operations	16	1,895.63	828.16
Other income	17	2,039.38	1,792.34
Total Income		3,935.01	2,620.50
<u>EXPENSES :</u>			
Employee benefits expense	18	1,299.85	1,587.38
Finance costs	19	4.04	3.55
Depreciation and amortization expense	20	190.28	175.47
Other expenses	21	2,225.61	1,041.49
Total Expenses		3,719.78	2,807.89
Surplus before tax		215.23	(187.39)
Tax expense			
Current year		-	-
Earlier Years		1,275.00	-
Total tax expenses		1,275.00	-
Surplus/(Deficit) for the year		(1,059.77)	(187.39)

Significant accounting policy and notes -1, 23 to 41

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

Narendra Goenka
Chairman
DIN : 01234889

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

Sudhir Sekhri
Vice-Chairman
DIN : 00109894

Anuj Dhingra
Partner
Membership no : 512535

Mithileshwar Thakur
Secretary General

Sumit Gupta
Secretary

Kundan Srivastava
Sr. Director -Finance

Place : Bengaluru
Dated : 26-Aug-2023



APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Cash Flow Statement for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flow From Operating Activities :			
Net Surplus for the year Before Tax		215.23	(187.39)
<u>Adjustment For :</u>			-
Depreciation/ Amortisation		190.28	175.47
(Profit)/Loss On Sale of Property, Plant & Equipments		(0.03)	(6.21)
Sundry Credit Balance Written Back		(5.60)	(1.45)
Provision no Longer Required Written Back		(13.86)	(6.55)
Provision for Doubtful Debts / Advances (Net)		-	-
Interest Income		(640.70)	(629.03)
Interest Expenses		2.22	1.79
Operating Income Before Working Capital Changes		(252.46)	(653.36)
<u>Changes in Working Capital:</u>			
(Increase)/Decrease In Trade Receivables		8.24	67.65
(Increase)/Decrease In Loans & Advances and Other Assets		(583.09)	97.34
Increase/(Decrease) In Trade Payables and other Liabilities		1,333.80	(199.06)
Cash Generated From Operations		506.49	(687.43)
Income Tax Paid (Net Of Income Tax Refund)		(1,175.87)	45.67
Net Cash From Operating Activities (A)		(669.38)	(641.76)
B. Cash Flows From Investing Activities			
Purchase of Fixed Assets (Property, Plant and Equipments, including Intangibles & CWIP)		(9.72)	(199.14)
Proceeds From Sale of Property, Plant and Equipments, including Intangibles & CWIP		0.09	7.09
Interest Received		560.87	654.81
Maturity/(Investment) Of Bank Deposits		255.29	(502.02)
Net Cash (Used) / Raised From Investing Activities (B)		806.53	(39.26)
C. Cash Flow From Financing Activities			
Entrance Fee Received		5.32	5.36
Short Term Borrowing		-	60.35
Interest Expenses		(2.22)	(1.79)
Net Cash Used In Financing Activities (C)		3.10	63.92
Net Increase In Cash & Cash Equivalents (A+B+C)		140.24	(617.10)
Cash & Cash Equivalents As At 31.03.2022 (Refer Note 13 for components of Cash & Cash Equivalents)		314.78	931.89
Cash & Cash Equivalents As At 31.03.2023 (Refer Note 13 for components of Cash & Cash Equivalents)		455.02	314.78

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, 23 to 41

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

Anuj Dhingra
Partner
Membership no : 512535

Narendra Goenka
Chairman
DIN : 01234889

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

Sudhir Sekhri
Vice-Chairman
DIN : 00109894

Mithileshwar Thakur
Secretary General

Sumit Gupta
Secretary

Kundan Srivastava
Sr. Director -Finance

Place : Bengaluru

Dated : 26-Aug-2023

APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Particulars	<i>Amount (Rupees In Lakhs)</i>	
	As at March 31, 2023	As at March 31, 2022
<u>Note 2: Reserves & Surplus</u>		
Capital Contribution Reserve		
[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	42.00	42.00
Building Reserve *		
Balance at the beginning and at the end of the year	3,297.00	3,297.00
Building Repairs Replacement Reserve		
Balance at the beginning and at the end of the year	500.00	500.00
Capital Asset Reserve - Government Grant		
a) Non Depreciable Assets		
Balance at the beginning and at the end of the year	1,295.94	1,295.94
b) Depreciable Assets		
Balance as per the last financial statements	726.55	788.95
Less: Transferred/ Adjusted during the year	-	8.72
Less: Depreciation provided during the year	49.23	53.68
Sub-Total - Balance at the end of the year	677.32	726.55
Members' Entrance Fees Reserve		
Balance as per the last financial statements	745.46	740.10
Add: Received during the year	5.32	5.36
Sub-Total - Balance at the end of the year	750.78	745.46
Capital Assets Fund/Accumulation U/s 11(2)		
Balance as per the last financial statements	175.00	1,013.14
Add: Transferred from I&E statement during the year	-	175.00
Less: Utilised and Transferred to Surplus in Income & Expenditure ***	175.00	1,013.14
Sub-Total - Balance at the end of the year**	-	175.00
Surplus in the statement of Income & Expenditure		
Balance as per the last financial statements	10,336.22	9,685.48
Add: Surplus/(Deficit) for the year	(1,059.77)	(187.40)
Add: Transferred from Capital Assets Fund ***	175.00	1,013.14
Less: Transferred to Capital Assets Fund	-	175.00
Net Surplus in the statement of Income & Expenditure	9,451.45	10,336.22
Total reserves and surplus	16,014.49	17,118.17

*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 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 uptill preceeding year under Section 11(2) of the Income-tax Act, 1961. Out of which Rs. 9.72 Lakhs (Previous Year 199.14 Lakhs) spend to acquire capital assets and Rs. 165.28 Lakhs (Previous Year Rs. 814.00 Lakhs) for EP Acitivities.



APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Particulars	Amount (Rupees In Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<u>Note 3: Other Long term liabilities</u>		
Security deposit -Office Premises	327.24	308.69
Security deposit-Other	-	-
OTS Premium payable	2.16	2.17
Advance Received for Subscription	52.35	52.02
Total	381.75	362.88
<u>Note 4: Long-term provisions</u>		
<u>Provision for employee benefits</u>		
Medical Leave Encashment	60.67	60.16
Earned Leave Encashment	299.64	300.93
Gratuity	-	-
Total	360.31	361.08
<u>Note 5: Short-term borrowings</u>		
Cash Credit/Other Loan Payable on demand from bank (Secured)*	-	60.35
Total	-	60.35

*Cash Credit /Other Loan payable on demand from bank are secured by creating a lien on Fixed Deposit with Bank

APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	As at March 31, 2023						As at March 31, 2022				
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years

Note 6: Trade payable

Particulars	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	1.84	-	-	-	1.84	-	2.00	-	-	-	2.00
(ii) Others	-	129.26	0.67	0.30	25.97	156.20	3.09	80.81	8.83	0.26	24.20	117.19
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-	-	3.23	-	-	3.23
(iv) Disputed Dues-Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	131.10	0.67	0.30	25.97	158.04	3.09	82.82	12.05	0.26	24.20	122.42

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, 2023	31st March, 2022
The principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year.	1.84	5.23
The interest amount due but not paid.	-	-
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	-	-
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.	-	-
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, 2023

Particulars	<i>Amount (Rupees In Lakhs)</i>	
	As at March 31, 2023	As at March 31, 2022
<u>Note 7: Other current liabilities</u>		
<u>Statutory Liabilities:</u>		
- TDS Payable	19.31	18.79
- GST Payable	48.31	35.83
- PF Payable	16.07	17.63
- ESI Payable	0.01	0.02
- Other Tax Payable	0.01	0.01
Unutilised Grant received from Government (Refer Note 27)	56.24	51.21
MDA Fund for Exporter - Unutilised (Refer Note 28)	82.50	82.50
EMD PDC Forfeited-Dishonoured (Refer Note 24(b))	1,178.33	1,179.33
Penalties & EMD Forfeited (Refer Note 26)	101.48	93.51
Earnest Money Deposits	21.00	21.00
Security deposits	59.19	61.62
Security deposit -Office Premises	18.70	31.39
AEPC- Showroom Security Deposit Refundable	187.10	194.96
Advance Received for Subscription	116.15	157.62
Advance Received for Council Charges	16.32	16.38
Due to Executive Committee members	5.37	5.37
Employee related payables	2.76	2.76
Other payables*	198.38	74.23
Total	2,127.23	2,044.16

*Other payable includes for Interest EMD etc.

Note 8: Short-term provisions

Provision for employee benefits

Medical Leave Encashment	3.82	6.36
Earned Leave Encashment	23.59	28.28
Gratuity	24.12	53.98
Provision for Tax	-	-
Provision for Income Tax	1,275.00	-
Other Provisions	-	-
Provision for contingencies	85.00	85.00

Total	1,411.53	173.62
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APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)
Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

9. Property, Plant and Equipments

Note 9(A). TANGIBLE ASSETS

9(A)-1 : Fixed Assets Purchased out of owned Funds

Particulars	Land#	Buildings* (Office Premises)	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
Original Cost-Gross Block										
At 1st April 2021	647.50	5,244.18	715.93	392.54	333.03	451.54	131.99	188.88	20.42	8,126.01
Additions (2021-22)	-	687.98	-	3.09	-	4.20	-	1.58	-	696.85
Disposal / Adjustment	-	-	-	2.01	-	-	32.01	0.91	-	34.93
At 31st March 2022	647.50	5,932.16	715.93	393.62	333.03	455.74	99.98	189.55	20.42	8,787.93
Additions (2022-23)	-	-	-	3.76	-	-	-	5.96	-	9.72
Disposal/ Adjustment	-	-	-	0.47	-	-	-	-	-	0.47
At 31st March 2023	647.50	5,932.16	715.93	396.91	333.03	455.74	99.98	195.51	20.42	8,797.18
Depreciation										
At 1st April 2021	-	3,639.34	663.54	367.55	328.64	444.56	114.23	184.66	20.22	5,762.74
Charge for the year 2021-22	-	133.13	13.75	13.34	0.53	2.71	7.63	2.35	-	173.44
Deduction/ Adjustments	-	-	-	1.79	-	-	31.44	0.81	-	34.04
At 31st March 2022	-	3,772.47	677.29	379.10	329.17	447.27	90.42	186.20	20.22	5,902.14
Charge for the year 2022-23	-	159.87	10.14	6.94	0.34	3.16	4.16	3.70	-	188.31
Deduction/ Adjustments	-	-	-	0.43	-	-	-	-	-	0.43
At 31st March 2023	-	3,932.34	687.43	385.61	329.51	450.43	94.58	189.90	20.22	6,090.02
Net Block										
At 31st March 2022	647.50	2,159.69	38.64	14.52	3.86	8.47	9.56	3.35	0.20	2,885.79
At 31st March 2023	647.50	1,999.82	28.50	11.30	3.52	5.31	5.40	5.61	0.20	2,707.16

* 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.1,12,40,779/-

APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

9. Property, Plant and Equipments

Note 9(A). TANGIBLE ASSETS (Cont.)

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

Particulars	Land	Buildings* (Office Premises)	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
(a) ASSETS GIVEN ON LEASE										
Original Cost-Gross Block										
At 1st April 2021	-	365.89	485.45	41.45	21.58	164.46	-	145.95	25.55	1,250.33
Additions (2021-22)	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	485.45	41.45	21.58	164.46	-	145.95	25.55	884.44
At 31st March 2022	-	365.89	-	-	-	-	-	-	-	365.89
Additions (2022-23)	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2023	-	365.89	-	-	-	-	-	-	-	365.89
Depreciation										
At 1st April 2021	-	310.91	480.41	41.04	21.47	162.82	-	144.49	25.30	1,186.44
Charge for the year 2021-22	-	3.59	0.19	-	-	-	-	-	-	3.78
Deduction / Adjustments	-	-	480.60	41.04	21.47	162.82	-	144.49	25.30	875.72
At 31st March 2022	-	314.50	-	-	-	-	-	-	-	314.50
Charge for the year 2022-23	-	3.36	-	-	-	-	-	-	-	3.36
Deduction / Adjustments	-	-	-	-	-	-	-	-	-	-
At 31st March 2023	-	317.86	-	-	-	-	-	-	-	317.86
Net Block										
At 31st March 2022	-	51.39	-	-	-	-	-	-	-	51.39
At 31st March 2023	-	48.03	-	-	-	-	-	-	-	48.03

APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

9. Property, Plant and Equipments

Note 9(A). TANGIBLE ASSETS (Cont.)

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

Particulars	Land	Buildings* (Office Premises)	Plant & Machinery	Office Equipments	Electric Fitting	Furniture & Fixture	Vehicle	Computers	Books	Total
(b) OTHER FIXED ASSETS										
Original Cost-Gross Block										
At 1st April 2021	1,295.93	2,660.52	825.24	473.30	746.17	306.12	-	640.13	-	6,947.41
Additions (2021-22)	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2022	1,295.93	2,660.52	825.24	473.30	746.17	306.12	-	640.13	-	6,947.41
Additions (2022-23)	-	-	-	-	-	-	-	-	-	-
Disposal / Adjustment	-	-	-	-	-	-	-	-	-	-
At 31st March 2023	1,295.93	2,660.52	825.24	473.30	746.17	306.12	-	640.13	-	6,947.41
Depreciation										
At 1st April 2021	-	1,965.97	810.30	468.57	738.71	303.06	-	639.81	-	4,926.42
Charge for the year 2021-22	-	47.59	2.31	-	-	-	-	-	-	49.90
Deduction / Adjustments	-	-	-	-	-	-	-	-	-	-
At 31st March 2022	-	2,013.56	812.61	468.57	738.71	303.06	-	639.81	-	4,976.32
Charge for the year 2022-23	-	44.33	1.54	-	-	-	-	-	-	45.87
Deduction / Adjustments	-	-	-	-	-	-	-	-	-	-
At 31st March 2023	-	2,057.89	814.15	468.57	738.71	303.06	-	639.82	-	5,022.20
Net Block										
At 31st March 2022	1,295.93	646.96	12.63	4.73	7.46	3.06	-	0.32	-	1,971.09
At 31st March 2023	1,295.93	602.63	11.09	4.73	7.46	3.06	-	0.31	-	1,925.21
Grand Total- Depreciation										
Year ending March 31, 2022	-	6,100.53	1,489.90	847.67	1,067.88	750.33	90.42	826.01	20.22	11,192.96
Year ending March 31, 2023	-	6,308.09	1,501.58	854.18	1,068.22	753.49	94.58	829.72	20.22	11,430.09
* 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.										
Grand Total- Net Block										
At 31st March 2022	1,943.43	2,858.04	51.27	19.25	11.32	11.53	9.56	3.67	0.20	4,908.27
At 31st March 2023	1,943.43	2,650.48	39.59	16.03	10.98	8.37	5.40	5.92	0.20	4,680.40



APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)
Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Note 9(B). INTANGIBLE ASSETS

Particulars	Computer Software	Total
<u>Original Cost-Gross Block</u>		
At 1st April 2021	47.31	47.31
Additions (2021-22)	-	-
Disposal / Adjustment	-	-
At 31st March 2022	47.31	47.31
Additions (2022-23)	-	-
Disposal/ Adjustment	-	-
At 31st March 2023	47.31	47.31
	-	-
	-	-
<u>Amortisation</u>		
At 1st April 2021	40.64	40.64
Charge for the year 2021-22	2.03	2.03
Deduction/ Adjustments	-	-
At 31st March 2022	42.67	42.67
Charge for the year 2022-23	1.97	1.97
Deduction/ Adjustments	-	-
At 31st March 2023	44.64	44.64
<u>Net Block</u>		
At 31st March 2022	4.64	4.64
At 31st March 2023	2.67	2.67

APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)
Notes to financial statements for the year ended March 31, 2023

	<i>Amount (Rupees In Lakhs)</i>	
Particulars	As at March 31, 2023	As at March 31, 2022
<u>Note 10: Long-term loans and advances</u>		
(Unsecured, Considered good unless otherwise specified)		
Other loans and advances		
Advance income tax	1,258.20	1,357.33
Total	1,258.20	1,357.33
<u>Note 11 Other non-current assets</u>		
(Unsecured, Considered good unless otherwise specified)		
Security Deposits	34.08	31.02
Other Bank Balances - Fixed Deposit(Refer Note 13A)	1,510.00	1,799.00
Deposit with LIC	276.70	268.13
Total	1,820.78	2,098.15

APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

	As at March 31, 2023						As at March 31, 2022							
Particulars	Not Due	Less than 6 Months	6 Months- 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total	Not Due	Less than 6 Months	6 Months- 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total

Note 12: Trade receivables
(Unsecured, Considered good unless otherwise specified)

(i) Undisputed Trade receivables-Considered Good	-	122.99	65.48	28.75	-	5.00	222.22	-	64.48	38.51	60.01	42.83	24.62	230.45
(ii) Undisputed Trade Receivables-Considered Doubtful	-	-	-	-	-	0.31	0.31	-	-	-	-	-	17.73	17.73
Less: Provision for Doubtful Receivables	-	-	-	-	-	(0.31)	(0.31)	-	-	-	-	-	(17.73)	(17.73)
(iii) Disputed Trade Receivables-Considered Good	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-Considered Doubtful	-	-	-	-	-	6.00	6.00	-	-	-	-	-	6.00	6.00
Less: Provision for Doubtful Receivables	-	-	-	-	-	(6.00)	(6.00)	-	-	-	-	-	(6.00)	(6.00)
Total	-	122.99	65.48	28.75	-	5.00	222.22	-	64.48	38.51	60.01	42.83	24.62	230.45

*Receivables Outstanding include

Dues from Company in which the company's Executive committee members are office bearers (Refer Note 38(c))

141.80

184.77

APPAREL EXPORT PROMOTION COUNCIL
(Limited By Guarantee)
Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<u>Note 13: Cash and cash equivalents</u>			
Cash in Hand		-	-
Balances with banks:			
a) Current Accounts		-	-
b) Saving Accounts			
(i) General		354.59	257.96
(ii) Export Promotion Fund		30.70	22.29
(iii) Other Savings*		69.35	34.53
c) Deposits with original maturity of less than three months		0.38	-
Total		455.02	314.78

Note 13A: 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		-	-
Deposits with original maturity of more than twelve months, maturing within one year from the balance sheet date***		8,783.71	8,750.00
Deposits with original maturity of more than twelve months, maturing beyond one year from the balance sheet date		1,510.00	1,799.00
		<u>10,293.71</u>	<u>10,549.00</u>
Less:			
Amount Disclosed as Non-current Asset (as per Note 11)		(1,510.00)	(1,799.00)
Total		8,783.71	8,750.00

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

** Fixed Deposits with Bank Includes allocated funds of Rs. NIL (Previous year Rs. 175 Lakhs) towards utilisation as per Section 11(2) of the income tax act,1961.

*** Fixed Deposit with Bank Includes of Rs. NIL (Previous Year 199.99 Lakhs) are Lien with bank to avail overdraft facility from bank.



APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Note 14: Short-term loans and advances		
(Unsecured, Considered good unless otherwise specified)		
Loans and advances to related parties	-	-
Other loans and advances		
Advance recoverable in cash or kind	110.78	18.08
Prepaid expenses	53.68	51.74
Balance with GST authorities	12.67	13.96
EMD PDC Recoverable (Refer Note 24(b))	-	-
a) Considered Good	-	-
b) Considered Doubtful	1,178.33	1,179.33
Total	1,355.46	1,263.11

Note 15 Other current assets

(Unsecured, Considered good unless otherwise specified)

Receivable from DGE&T - Ministry of Labour	114.88	115.39
Receivable from AEPC Gratuity Trust	-	5.20
Interest accrued on bank fixed deposits	417.57	337.74
Deposit with LIC	27.41	34.63
Grant Receivable (Refer Note No. 27)	1,223.48	730.10
Other Recievable*	91.55	92.89
Total	1,874.89	1,315.95

* Include recoverable from Ex-Secretary General Refer Note 25(c)

APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<u>Note 16: Income from operations</u>			
Membership Subscription		441.55	489.94
Council Fees		21.81	104.08
Revenue Grant from Government for export promotion expenses (Refer Note 22)		589.69	80.33
MAI Grant for Exporter		-	26.83
Other Operating Income (Refer Note 22)		842.58	126.98
Total		1,895.63	828.16

Note 17: Other income

Interest income			
- Bank		606.40	586.88
- Others- From Tax Refund, LIC & Other #		34.31	42.16
Profit on sale of Property, Plant and Equipments		0.03	6.21
Rent		1,342.42	1,093.72
Participation Forfeiture (Refer Note 22)		5.82	-
Assessing Centre		19.21	40.90
Sundry credit balances no longer required written back		5.60	1.45
Other non-operating income including miscellaneous income		11.73	14.47
Provision no longer required written back		13.86	6.55
Amortisation of Government Grant for Depreciatble Assets [Capital Asset Reserve - Govt Grant]		49.23	53.68
Less:		-	-
Amount adjusted from Depreciation on asset purchased against Grant Received from Government [Contra] (Refer Note 20)		(49.23)	(53.68)
Total		2,039.38	1,792.34

Also includes interest earned on MDA Grant

Note 18: Employee benefits expense

Salaries, Wages and Allowances		1,125.98	1,422.01
Contribution to Provident and Other Funds		70.76	71.46
Gratuity & Leave Expenses		39.07	29.22
Employees Welfare Expenses		64.04	64.68
Total		1,299.85	1,587.38

Note 19: Finance costs

Interest on Loan		1.52	1.25
Interest On Late Payment of Statutory dues		0.70	0.55
Bank Charges		1.82	1.75
Total		4.04	3.55



APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<u>Note 20: Depreciation and Amortization Expense</u>			
Depreciation of tangible assets:			
- on Fixed Assets Purchased out of own Funds		188.31	173.44
- on Fixed Assets Purchased Against Grant Received from Government		49.23	53.68
		-	-
Amortization of intangible assets		1.97	2.03
		-	-
		239.51	229.15
Less:			
Amount credited from Capital Asset Reserve - Government		49.23	53.68
Grant, as utilised [Contra] (Refer Note 17)		-	-
Total		190.28	175.47

Note 21: Other expenses

Export Promotion Expenses (Refer Note 22)		1,506.45	307.95
MAI Grant Distributed to Exporter		-	26.83
Power and Fuel		92.46	111.76
Rent		0.37	2.80
Rates and taxes		57.83	39.22
Insurance		16.97	18.74
Meeting Expenses		85.39	63.64
Repair and maintenance - Buildings		48.86	0.48
Repair and maintenance - Plant & Machinery		26.99	24.59
Repair and maintenance - Others		109.43	129.12
Travelling, Conveyance and Vehicle expenses		19.13	25.41
Communication & Postage Expenses		10.23	9.59
Printing & Stationery Expenses		6.93	6.47
Legal & Professional Fees		125.39	115.41
Security Charges		46.26	44.26
Business Promotion		19.30	14.41
Courier & Forwarding Expenses		1.66	2.68
Advertising & Publicity		4.31	2.48
Auditors remuneration (Refer Note 30)		9.54	11.77
Prior period expenses (Refer Note 31)		0.52	0.47
Miscellaneous Expenses		7.19	11.53
Assessing Centre - MES Scheme		2.39	6.92
Provision For Doubtful Debts/ Receivables		-	23.73
Bad Debts/ Amount Receivable Written Off	38.95	-	-
Less: Provision For Doubtful Receivables , written back during the year	(17.42)	21.53	34.70
Commission & Brokerage Expenses		-	4.99
GST/TDS Receivables written off		6.48	1.54
Total		2,225.61	1,041.49

APPAREL EXPORT PROMOTION COUNCIL

(Limited By Guarantee)

Notes to financial statements for the year ended March 31, 2023

Amount (Rupees In Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<u>Note 22: Export Promotion Expenses</u>			
<u>Overseas Expenses</u>			
Foreign Exhibition Expenses		1,193.74	220.84
Foreign Delegation Expenses		100.26	23.67
		-	-
<u>Domestic Fairs</u>			
Trade Fairs/Virtual Fairs		11.62	2.75
Tex Trends Fairs/IIGF/Reverse BSM		144.95	-
		-	-
		-	-
<u>Seminar & Workshop</u>		11.68	10.55
		-	-
<u>Other Export Promotion Expenses</u>			
Magazine & Publicity Material		9.10	17.79
Other		35.10	32.36
TOTAL(1)		1,506.45	307.95
Less: Contribution Received			
Foreign Exhibition		723.72	124.64
<u>Domestic Fairs:</u>			
Reverse BSM/Virtual Fairs		105.32	0.35
		-	-
Other		13.54	1.99
		<u>842.58</u>	<u>126.98</u>
Participation Forfeiture		5.82	-
<u>Revenue Grant from Government: (Refer note No.27)</u>			
For Overseas Events		589.69	80.33
TOTAL(2)		1,438.09	207.31
TOTAL(1-2)		68.36	100.64

Apparel Export Promotion Council
(Limited by Guarantee)

Notes to financial statements for the year ended March 31, 2023

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 as amended. 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 Property, Plant & Equipment & 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 31st 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 outflow of resources embodying economic benefits will be required to settle the obligation or a possible obligation, unless the probability of outflow 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 cost 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. 23:

Contingent liabilities:

23.1 Claims against Council not acknowledged as debts;

a) 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. 6,256 Lakhs (Rs. 4,319 Lakhs and Rs. 1,937 Lakhs) 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 18th September, 2015 and 13th 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.

b) 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 notional financial loss of Rs. 1,742 Lakhs-. 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. 21,444 Lakhs and Rs. 1,742 lakhs 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. 21,444 Lakhs 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 writs before the Hon'ble High Court at Delhi, challenging the legality and validity of the demand raised by the Ministry of Textiles for Rs 21,444 Lakhs and Rs. 1,742 Lakhs 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. The Council has also challenged the applicability of CAG audit on Council through an additional writ with Hon'ble High Court at Delhi. Since the matter is under judicial consideration no provision is considered necessary and the financial statement are prepared on going concern basis.

The PAC meeting held on 4th Feb, 2021 carried the reports of financial advisor of MOT. The PAC has also recorded that, "The matter is pending before the Hon'ble High Court of Delhi. Further action would be initiated after judgment of the Hon'ble High Court".

c) In respect of compensation demanded against showroom license fee, agency commission and work contract

which is pending in various courts for which the contingent liability is estimated at Rs.1.02 Lakhs (Previous year Rs.1.02 Lakhs).

23.2 Other Contingent Liabilities;

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. 1,066.21 Lakhs the Income Tax department was 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.

The Council's matter was tagged with Civil Appeal No. 21762 of 2017 Assistant Commissioner of Income Tax (Exemption) Vr. Ahmedabad Urban Development Authority. The Case was disposed on 19/10/2022.

The Court decided that, *“Bodies involved in trade promotion (such as AEPC), or set up with the objects of purely advocating for, coordinating, and assisting trading organisations, can be said to be involved in advancement of objects of general public utility. However, if such organisations provide additional services such as courses meant to skill personnel, providing private rental spaces in fairs or trade shows, consulting services, etc. then income or receipts from such activities, would be business or commercial in nature. In that event, the claim for tax exemption would have to be again subjected to the rigors of the proviso to Section 2(15) of the IT Act.*

At the cost of repetition, it may be noted that the conclusions arrived at by way of this judgment, neither precludes any of the assesseees (whether statutory, or non-statutory) advancing objects of general

public utility, from claiming exemption, nor the taxing authorities from denying exemption, in the future, if the receipts of the relevant year exceed the quantitative limit. The assessing authorities must on a yearly basis, scrutinize the record to discern whether the nature of the assessee's activities amount to “trade, commerce or business” based on its receipts and income (i.e., whether the amounts charged are on cost-basis, or significantly higher). If it is found that they are in the nature of “trade, commerce or business”, then it must be examined whether the quantified limit (as amended from time to time) in proviso to Section 2(15), has been breached, thus disentitling them to exemption.

In accordance with the foregoing discussion, and summary of conclusions, the numerous appeals are disposed of as follows:

The revenue's appeal against APEC succeeds in part. The impugned judgment of the High Court is set aside; the matter is remitted for the concerned years, to the Assessing Officer. SLP (C) No. 14995/2019 is allowed, in the above terms.”

Further, while hearing the matter, miscellaneous application no. 1849 of 2022 linked with same matter, the Supreme Court further clarified that, “the reference to future application has to be understood in this context, which is that for the assessment years which this court was not called upon to decide, the concerned authorities will apply the law declared in the judgment, having regard to the facts of each such assessment year. In view of this discussion, no further clarification is necessary or called for”.

The Council obtained a legal opinion and based on the opinion, the Council has internally completed the test as per the

proviso to Section 2 (15) and accordingly computed the tax liabilities of all those years starting w.e.f. assessment year 2009-10 where the assessments are opened and/or cases are pending at any appellate level. Further, pending any demand/ revised computation from the department, estimated tax liabilities as computed has been provided in the books as on 31.03.2023.

Note No. 24

a) The Council in view of pending litigation, has not accounted a sum of Rs.487.51/- Lakhs excluding Regional Licencing Authorities (RLA) cases (Previous Year Rs.520.48 Lakhs excluding RLA cases) pending based on data as on 31.03.2023, 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 31.03.2023	as on 31.03.2023	as on 31.03.2022	as on 31.03.2022
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
Bank	16	5.524	14	46.36
TXC	1	6.74	3	25.02
Court	107	382.63	110	404.43
AEPC	1	44.67	1	44.67
Ministry	1	7.95	0	0
Total	126	487.51	128	520.48

Apart from the above cases, there are 1919 numbers of cases where forfeiture amount of Rs 7,135.46 Lakhs (approx.) Previous year 1919 numbers of cases Rs.7,135.46 Lakhs(approx.) have been referred to Regional Licensing Authorities. (RLAs).

a) EMD PDC Forfeiture-Dishonoured of Rs. 1,178.33 Lakhs (Previous year Rs. 1,179.33 Lakhs) appearing in the "Notes 7, Other Current liabilities" are shown corresponding to the similar amount shown

as recoverable under "Notes 14, 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.

Registrar of Companies had filed the two cases during 2021-22 with cause title RoC Vs A.Sakthivel &Ors and RoC Vs Virender Uppal &Ors at the Hon'ble Court of LD, ACMM (Spl. Act) Central Tiz Hazari, Delhi for contravention under section 128 of the Companies Act, 2013 and for contravention under section 129 of the Companies Act, 2013 respectively, the cases are 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 is filed before the Delhi High Court by the respondents, for quashing the complaint cases proceedings in the Tis Hazari Court and the proceedings are pending.

Further, Registrar of Companies have filed one case during 2022-23 with cause title RoC Vs AEPC and Ors at Dwarka Court, Delhi for contravention under section 134 of the Companies Act, 2013, the cases are being represented. Applications u/s 482 of CRPC is filed before the Delhi High Court, for quashing the complaint cases proceedings in the Dwarka Court and the proceeding is pending.

c) 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 Lakhs was determined based on Department of Personal & Training (DoPT) confirmation through letter dated 20.01. 2016. The matter had been referred by the Ministry of Textiles (MoT) to Department of Personal &

Training (DoPT) for reconsideration of their advice fixing the remuneration. In addition to it, an amount of Rs. 2.50 Lakhs is recoverable against the unsettled advance drawn by him against transfer TA/DA etc.

Based on the communication of MOT through letter no. f.no.8/3/2011-EP (Pt-1) dated 12 May, 2020 conveying the minutes of the meeting dated 10.01.2020 of the Committee set up to decide further course of action on overdraw of salary and allowances by Shri. Puneet Kumar, Ex-SG, AEPC, where the committee's observation was that, "the matter is to be resolved between AEPC and Mr. Puneet Kumar, IAS regarding any excess payment during the period of deputation of Shri Puneet Kumar in AEPC. Ministry of Textiles has no locus standi on the matter as far as excess recovery is concerned," The Council has filed cases with district Court Delhi for recovery of the Rs. 85.56 Lakhs, the matter is pending. Based on the legal opinion, the management is of the view that the Council is confident of recovery.

Note No. 26

Penalties and Earnest Money Forfeited of Rs.101.48 Lakhs (Previous year Rs.93.51 Lakhs) 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

(a) The Government has released following grants for various projects, the actual expenditure incurred and the balance amount carried forward as Grants received in advance 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/ Distributed/ Adjusted during the Year	Admissible Grant during the year	Balance carried forward	
		Liability	Recoverable				Liability	Recoverable
Rs. in Lakhs								
1	MAI Grants:							
	EP Projects - MAI (Overseas events)	Nil	44.33	141.74	Nil	518.58	5.03	426.21
	EP Projects - MAI (Domestic events)	Nil	Nil	Nil	Nil	71.11	Nil	71.12
2	Other Grants:							
	Common Compliance Code - DISHA	37.84	Nil	Nil	Nil	Nil	37.84	Nil
	PSQC Training of North East Students	13.37	Nil	Nil	Nil	Nil	13.37	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	685.77	Nil	Nil	40.38	Nil	726.15
	Total	51.21	730.10	141.74	-	630.07	56.24	1223.48

b. The 'Claims of reimbursement of administrative expenses of EMD-BG work being done on behalf of Ministry of Textiles, Government of India. (Including Service Tax /GST), aggregating to Rs. 726.15 Lakhs represents recoverable up to March 2023, Rs. 685.77 Lakhs represents recoverable up to March 2022. At an interim, a communication was received from Ministry of Textiles through their letter no. 08/12/06-EP dated 24 September, 2021; stating that the Council's claim has been denied by citing "the competent authority has decided that the request of AEPC cannot be acceded". The above communication was responded by the Council citing AEPC's dissent and the recoverability was re-emphasized (based on initial set of communications with the Ministry) vide letter dated 21 October 2021 followed by reminder letters on 22 March 2022, 6 April 2022 & 17 March, 2023. The Council, based on the MOT's progressive insights received by Council's representatives, is confident of recovery;

and therefore, no provision is considered necessary by the Council.

Note No. 28

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

Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
Opening Balance	82.50	82.50
Interest Credited During the year (No fund released)	0.00	0.00
Total	82.50	82.50
Less: Amount Adjusted/ written back during the year	Nil	Nil
Closing Balance	82.50	82.50

Note No. 29

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

Description	Current Year (Rs. in lakhs)	Previous Year (Rs. in Lakhs)
Expenditure on Travel, Delegations, Trade Fairs, Exhibitions (Physical/virtual), Seminars, Market Study, Publicity and Travel Reimbursements etc.	1196.34	185.35
Total	1196.34	185.35

The unhedged foreign currency exposures at the year-end 31.03.2023 is Nil (previous year Nil).

Note No. 30

Auditor's Remuneration includes:

Description	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
As Auditors		
Audit Fee (Excluding GST)	9.54	8.67
Taxation Matters (Excluding GST)	0.90	3.07
Out of Pocket Expenses (Excluding GST)	0.00	0.03
Total	10.44	11.77

Note No. 31

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

Sl. No	Particulars	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
1	Repairs & Maintenance	-	0.02
2	Electricity, Generator and Water Charges	-	0.01
3	Employee Benefits & Entertainment	0.09	0.19
4	Travelling Inland	-	0.04
5	Communication Exp	-	0.18
6	Assessment Activities	0.02	-
7	Forwarding Expenses	-	0.02
8	Miscellaneous expenses	0.41	0.01
	Total	0.52	0.47

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

Sl. No	Particulars	Current Year (Rs. in lakhs)	Previous Year (Rs. in lakhs)
1	Interest from Deposits with electricity board	-	-
	Total	-	-

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 liable for taxation 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. During the year due to change in provisions of Income Tax Act, 1961 regarding allowability of expenses on cash basis, there are no significant 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 (Rs. in Lakhs)		Previous Year (Rs. in Lakhs)						
The Company has recognized in the Income and Expenditure Accounts for the Year ended March 31, 2023 an amount of expenses under defined contributions plans benefit:										
-Contribution to Provident Fund		70.66		71.21						
-Employees State Insurance		0.09		0.25						
(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 contractual employees.										
		Gratuity		Earned Leave Encashment		Medical Leave Encashment				
		C. Year	P. Year	C. Year	P. Year	C. Year	P. Year			
		Rs. in Lakhs								
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	677.90	824.25	329.20	393.59	66.51	87.15			
(b)	Current Service Cost	30.08	29.50	17.79	19.63	2.32	2.44			
(c)	Interest Cost	47.45	54.98	23.04	26.25	4.66	5.81			
(d)	Actuarial (Gain)/Loss	(39.78)	(39.78)	225.67	(14.07)	(3.35)	(10.85)			
(e)	Benefits Paid	63.78	(191.05)	(272.47)	(96.20)	(5.66)	(18.04)			
(f)	Obligation as at the end of the year	651.01	677.90	323.24	329.20	64.49	66.51			
(2)	Change in Plan Assets (Reconciliation of Opening and Closing balances):									
(a)	Fair value of plan asset as at the beginning of the year	623.92	731.08	302.76	376.69	-	-			
(b)	Actual return of plan assets	43.73	46.00	15.05	23.96	-	-			
(c)	Contribution	20.66	33.14	217.37	-	-	-			
(d)	Benefits paid	(61.24)	(185.96)	(231.07)	(94.46)	-	-			
(e)	Charges deducted	(0.18)	(0.33)	-	-	-	-			
(f)	Fair value of plan assets as at the end of the year	626.89	623.92	304.11	302.75	-	-			
(3)	Reconciliation of obligation & plan Assets:									
(a)	Present Value of obligation as at the end of the year	651.01	677.90	323.24	329.20	64.49	66.51			
(b)	Fair Value of Plan Assets as at the end of the year	626.89	623.92	304.11	302.76	-	-			
(c)	Assets/ (Liabilities) recognized in the Balance Sheet	(24.12)	(53.98)	(19.12)	(26.45)	(64.49)	(66.51)			
(d)	Assets/ (Liabilities) Not recognized in the Balance Sheet									
(4)	Expenses recognized during the year:									
(a)	Current Service Cost	30.08	29.50	17.79	19.63	-	-			
(b)	Interest Cost	47.45	54.98	23.04	26.25	4.66	5.81			
(c)	Expected Return on Plan Assets	(45.86)	(50.01)	(22.25)	(26.93)	-	-			
(d)	Actuarial (Gain)/Loss recognized during the period	38.33	(35.44)	232.87	(11.09)	(3.35)	(10.85)			
(e)	Expenses/(Income) recognized during the Year in the I&E	66.56	(0.97)	251.46	7.86	3.63	(2.59)			
(f)	Best estimate for contribution during next year	25.54	25.23	17.89	18.83	7.27	7.44			
(5)	Assumption:									
(a)	Discount Rate (p.a.)	7.35%	7.00%	7.35%	7.00%	7.35%	7.00%			
(b)	Expected Rate of Return on Planned Assets (p.a.)	7.36%	7.35%	7.36%	7.35%	7.36%	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)	11.54	11.20	11.54	11.94	11.54	11.94			
(6)	Experience Adjustments:									
	Experience Adjustment loss/(Gain)-Plan Assets	2.31	4.34	7.20	2.98	-	-			
	Experience Adjustment loss/(Gain)-Obligations	24.45	(23.48)	234.29	(5.55)	1.89	9.41			
(7)	Reconciliation of fair value of assets and obligations for the past years:	31st March 2021			31st March 2020			31st March 2019		
		Gratuity	EL	ML	Gratuity	EL	ML	Gratuity	EL	ML
		Rs. in Lakhs								
	Present Value of Obligation	824.25	393.59	87.15	862.81	409.83	102.68	876.65	391.19	104.76
	Fair Value of Plan (Assets)	725.16	376.68	-	725.17	412.14	-	785.72	450.85	-
	(Assets)/Liability Recognized in the Balance Sheet	93.17	16.91	87.15	137.64	(2.31)	102.68	90.92	(59.66)	104.76

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.0.37 Lakhs (previous year Rs. Rs.2.80 Lakhs) 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.1342.42 Lakhs (Previous Year Rs.1,093.72 Lakhs) 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 (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
a)	Total of minimum lease payments receivable		
	The total of minimum lease payments receivable for a period	234.53	755.90
	* Not later than one year	-	
	* Later than one year and not later than five years	270.33	477.24
	* Later than five years	Nil	Nil

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

The Council carries a provision for contingencies towards claims of the Council for the matters disputed.

Opening Balance as at 1st April, 2022	Additional provision made during the year	Incurred/ (reversal) against provision during the year	Closing Balance as at 31st March, 2023
Rs. in lakhs			
85.00	Nil	-	85.00

Notes No. 37

The Code on Social Security 2020 ('Code'), which received the Presidential Assent on 28th September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13th November 2020 and has invited suggestions from stake holders. The suggestions received are under consideration by the Ministry. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be finalized and notified. The Council will assess the impact, if any once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes No. 38

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 (AMH SSC)
5. International Garment Fair Association (IGFA)

b) Key Management Personnel;

1. Chairman: -
-Sh. Narendra Goenka
w.e.f. 01/01/2022
- Dr. Sakthivel
Till. 31/12/2021

Note: (No remuneration or monetary benefit was given to Chairman or any Executive Committee members).

2. Secretary General: -
-Dr. LB Singhal
Up To. 18/01/2023
- Sh. Mithileshwar Thakur
w.e.f. 20/02/2023
3. Secretary: -
- CS. Sumit Gupta
w.e.f. 01/09/2019

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

Enterprises	Relevant KMP	Particulars	Current Year	Previous Year
			(Rs. in Lakhs)	(Rs. in Lakhs)
M/s. Texport Industries Pvt. Ltd. (Balance As on 31.03.2022 Rs. 0.37 Lakhs Dr.) Balance As on 31.03.2023 Rs. Nil.)	Sh. Narender Goenka	Annual Membership Subscription , Participation fee for virtual/physical exhibition platform and certification fee.	2.56	1.20
M/s. Poppys Knitwear Pvt. Ltd (Balance As on 31.03.2022 Rs. Nil) (Balance As on 31.03.2023 Rs. Nil)	Dr. A. Sakthivel	Annual Membership Subscription , Participation fee for virtual/physical exhibition platform and certification fee.	0.29	0.63
M/s. Poppys Vista Hotel Pvt. Ltd. (Balance As on 31.03.2022 Rs. Nil) (Balance As on 31.03.2023 Rs. Nil)	Dr. A. Sakthivel	Hotels and banquet booking.	4.75	0.43
M/s. Poppys Tours Pvt. Ltd. (Balance As on 31.03.2022 Rs. Nil) Balance As on 31.03.2023 Rs. Nil)	Dr. A. Sakthivel	Various ticket booking for meeting, travel & stay etc.	10.30	10.41
		Total	17.90	12.67

(ii) Transaction with KMPs other than Chairman:

KMP	Designation	Nature of Transaction	Current Year	Previous Year
			(Rs. in Lakhs)	(Rs. in Lakhs)
Dr. L.B.Singhal	Secretary General up to 18/01/2023	Remuneration (CTC)	33.56	39.48
Sh. Mithileshwar Thakur	Secretary General w.e.f. 20/02/2023	Remuneration (CTC)	4.96	-
CS. Sumit Gupta	Secretary w.e.f. 1 st Sep, 2019	Remuneration (CTC)	14.60	10.58
		Total	53.12	50.06

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 (AEPCRD&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;	Rs. in Lakhs									
Lease Charges Received	65.34	42.94	Nil	Nil	Nil	Nil	0.48	Nil	Nil	Nil
Reimbursement of Expenses/Contribution-paid	0.00	1.20	Nil	Nil	Nil	Nil	0.09	Nil	Nil	Nil
Reimbursement of Expenses/Contribution - received	20.87	25.28	Nil	Nil	Nil	Nil	0.20	Nil	Nil	Nil
Assessment Charges Received (Non-MES)	0.86	1.33	Nil	Nil	Nil	Nil	18.34	35.76	Nil	Nil
Balance at the end of the year:										
Amount due to	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amount due from	125.65	169.72	Nil	Nil	Nil	Nil	16.15	15.05	Nil	Nil

Notes No. 39 Ratios:

Particulars	Units	March 31, 2023	March 31, 2022	% change from March 31, 2022 to Mar 31, 2023
Current Ratio	Times	3.43	4.95	(30.60)
Debt-Equity Ratio	Times	-	-	-
Debt Service Coverage ratio	Times	-	-	-
Inventory Turnover ratio	Times	-	-	-
Trade Receivable Turnover Ratio	Times	-	-	-
Trade Payable Turnover Ratio	Times	-	-	-
Net Capital Turnover Ratio	Times	-	-	-
Net Profit ratio	Percentage	11.35	(22.63)	(150.15)
Return on Equity ratio	Percentage	-	-	-
Return on Capital Employed	Percentage	-	-	-
Return on Investment	Percentage	-	-	-

b). Elements of Ratios

Rs Lakhs

Ratios	March 31, 2023		March 31, 2022	
	Numerator (Rs. in Lakhs)	Denominator (Rs. in lakhs)	Numerator (Rs. in Lakhs)	Denominator (Rs. in Lakhs)
Current ratio	12,691.32	3,696.80	11,874.29	2400.55
Debt- Equity Ratio	N.A.	N.A.	N.A.	N.A.
Debt Service Coverage ratio	N.A.	N.A.	N.A.	N.A.
Inventory Turnover ratio	N.A.	N.A.	N.A.	N.A.
Trade Receivable Turnover Ratio	N.A.	N.A.	N.A.	N.A.
Trade Payable Turnover Ratio	N.A.	N.A.	N.A.	N.A.
Net Capital Turnover Ratio	N.A.	N.A.	N.A.	N.A.
Net Profit Ratio	215.23	1895.63	(187.39)	828.16
Return on Equity ratio	N.A.	N.A.	N.A.	N.A.
Return on Capital Employed	N.A.	N.A.	N.A.	N.A.
Return on Investment	N.A.	N.A.	N.A.	N.A.

c). Consideration of Element of Ratio

i.	Current Ratio:	Numerator= Current Assets, Denominator= Current Liabilities
ii.	Debt-Equity Ratio:	Numerator= Total Debt, Denominator= Total Equity - Revaluation Reserve
iii.	Debt Service Coverage ratio:	Numerator= Profit before Tax + Finance cost + Depreciation , Denominator= Repayment of Borrowings + Interest on Borrowings
iv.	Inventory Turnover ratio:	Numerator= Cost of Goods Sold, Denominator= Average Inventory
v.	Trade Receivable Turnover Ratio:	Numerator= Total Sales, Denominator=Average Trade Receivables
vi.	Trade Payable Turnover Ratio:	Numerator= Total Purchases , Denominator= Average Trade Payables
vii.	Net Capital Turnover Ratio:	Numerator= Revenue from operations, Denominator= Working Capital (i.e. Current Assets - Current Liabilities)
viii.	Net Profit ratio:	Numerator= Net Profit after tax, Denominator= Revenue from operations
ix.	Return on Equity ratio:	Numerator= Net Profit after tax, Denominator= Average Shareholder's Equity
x.	Return on Capital Employed:	Numerator= Earning before interest and taxes, Denominator= Total Net worth+ Total Debt+ Total Deferred Tax Liability
xi.	Return on Investment:	Numerator= Earning before interest and taxes, Denominator= Total Asset

d). Reasons for more than 25% increase/ (decrease) in above ratios

Particulars	% Change from March 31, 2022 to Mar 31, 2023
Current Ratio	N.A.
Debt-Equity Ratio	N.A.
Debt Service Coverage ratio	N.A.
Inventory Turnover ratio	N.A.
Trade Receivable Turnover Ratio	N.A.
Trade Payable Turnover Ratio	N.A.
Net Capital Turnover Ratio	N.A.
Net Profit ratio	N.A.
Return on Equity ratio	N.A.
Return on Capital Employed	N.A.
Return on Investment	N.A.

Notes No. 40

Other Statutory Information (to the extent applicable) –

Part:1:

- (I) There is no Immovable Properties, Title deeds of those are not held in the name of the Company.
 - (ii) No revaluation of Property, Plant & Equipment & Intangible assets has been carried out during the year.
 - (iii) The Company has not granted loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, either severally or jointly with any other person, that are (a) Repayable on demand; or (b). without specifying any terms or period of repayment.
 - (iv) The company has no intangible asset under development and accordingly its ageing is not required at year end.
 - (v) There are no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
 - (vi) The Company has not taken any borrowings from banks / financial institutions on the basis of security of current assets.
 - (vii) The company is not declared wilful defaulter by any bank or financial institution or other lender.
 - (viii) The Company has no transactions with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
 - (ix) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
 - (x) The company has not made any investments till 31-03-2023, hence compliance with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017 is not applicable.
 - (xi) For ratios, refer Note 39 above.
 - (xii) Compliance with approved Scheme(s) of arrangements in terms of Sec 230 - 237 of Companies Act 2013 - Not Applicable
 - (xiii) **A:** The Company has not advanced or loaned or invested funds in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- B:** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

(Ultimate Beneficiaries) or - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Part:2

- (I) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (ii) The CSR Compliance – Refer Note 37 above.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes No. 41

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

Chartered Accountants

(FRN No. 000235N /N500089)

Anuj Dhingra

Partner

Membership No. 512535

For and on behalf of the Executive Committee

Narendra Goenka

Chairman

DIN: 01234889

Vijay Kumar Agarwal

Chairman F&B

DIN: 00108710

Sudhir Sekhri

Vice Chairman

DIN: 00109894

Mithileshwar Thakur

Secretary General

Sumit Gupta

Secretary

Kundan Srivastava

Sr. Director-Finance

Place: Bangaluru

Date: 26/08/2023





APPAREL EXPORT PROMOTION COUNCIL

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

CIN NO. U74899DL1978NPL008877

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